



**AN ECONOMIC DEVELOPMENT STRATEGY**  
**ERIE MUNICIPAL AIRPORT**  
Erie, Colorado

*DRAFT* October 22, 2024

PREPARED FOR  
**Erie Economic Development Department &  
Erie Airport Economic Development Advisory Board**



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# PROJECT OVERVIEW

## SCOPE OF WORK

Development Strategies was hired by the Town of Erie in the late 2023 to update the 2009 Erie Municipal Airport Economic Development Study. This update includes a market scan of recent development surrounding the Erie Municipal Airport (EIK) and in the Town of Erie, and a strategy to make EIK to more of an economic development center as the community continues to grow.

## CONTEXT

### Town Overview

Erie was first platted in 1871 following the establishment of the Briggs Mine and the extension of the Union Pacific Railroad. Erie was officially incorporated in 1874. The presence of coal mining and the railroad allowed Erie to grow quickly. While the town thrived for much of its early history by exporting coal, most mines in Erie were closed before 1960. Erie continued to grow despite the closure of the mines. The pace of population growth and real estate development increased substantially in recent years. The population doubled from 2010 to 2020 and is expected to continue growing over the next decade.

Situated north of Denver and east of Boulder, Erie is an attractive location for residents and businesses and the development of new housing and new spaces to do business are not keeping up with demand. As population and retail grows, the Town is searching for ways to grow employment and diversify its economy.

## DEMOGRAPHICS

Town of Erie

TOTAL POPULATION	CHANGE IN POPULATION (2010-2023)
<b>39,200</b>	<b>105%</b>
TOTAL HOUSING UNITS	PERCENT OF HOUSING OWNED
<b>11,950</b>	<b>90%</b>
MEDIAN HOUSEHOLD INCOME	MEDIAN HOUSING VALUE
<b>\$146K</b>	<b>\$630K</b>

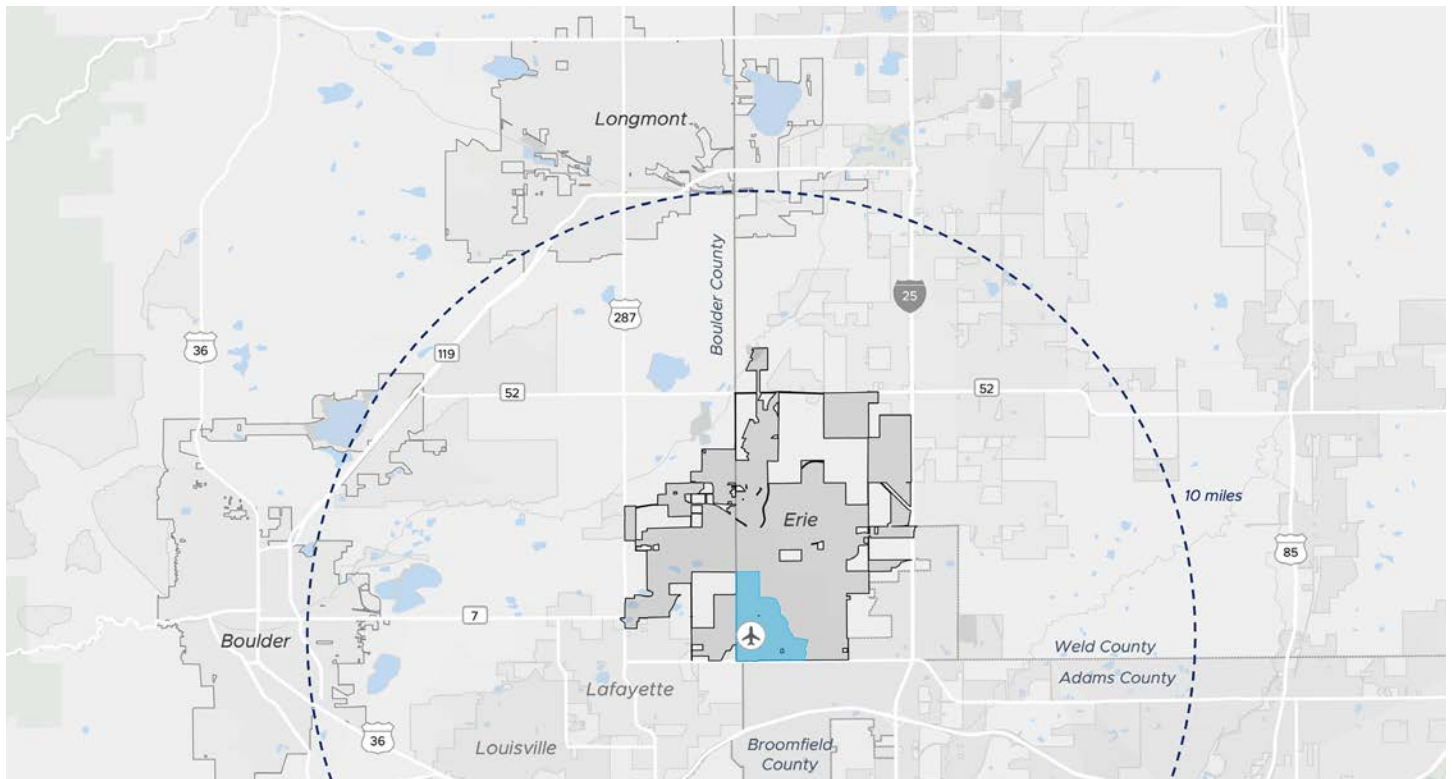
## DEVELOPMENT TRENDS

Town of Erie

TOTAL INDUSTRIAL SF	% CHANGE IN TOTAL SF SINCE 2018
<b>860K</b>	<b>16%</b>
TOTAL RETAIL SF	% CHANGE IN TOTAL SF SINCE 2018
<b>804K</b>	<b>46%</b>
TOTAL MULTIFAMILY UNITS	% CHANGE IN TOTAL UNITS SINCE 2018
<b>660</b>	<b>269%</b>
TOTAL OFFICE SF	% CHANGE IN TOTAL SF SINCE 2018
<b>144K</b>	<b>4%</b>

Sources: Town of Erie 2024 Quarterly Report: Q3, Esri 2023, CoStar 2024

## REGIONAL CONTEXT STUDY AREA





Erie is a bedroom community—meaning residents commute outside of the Town to their jobs—and was historically reliant on neighboring communities to support the needs of residents through jobs, shopping, and other entertainment options not currently available in Erie. Erie, in many ways, is at a transition point and its significant growth is demanding more local services, businesses, retail options, and places to conduct business.

### Relationship between Town and Airport

Erie adopted a new comprehensive plan in October 2024, Elevate Erie, that explores the goals and desires of the community, including a future land use plan, that will help guide where and what type of development can be built. Through this effort and others, Town officials, residents and business owners expressed an interest in promoting EIK as an asset and a destination for recreation, as well as economic development.

EIK is located three miles south of downtown and just over three miles west of Interstate 25 and is situated at the intersection of County Line Road and Baseline Road (Highway 7).

EIK was privately developed and operated airport with an Airpark Community and was purchased by the Town in 1994. EIK has gone through several management phases since 1994. Vector Air Management (VAM) was hired in 2011 to manage EIK and has managed in since. VAM runs the Fixed Base Operator (FBO), oversees the daily operations and expenses of EIK, and maintains contributions to the Airport Enterprise Fund allowing EIK to remain eligible for FAA funding and other State grants. There is one runway (a total length of 4,700 feet) at EIK primarily used for flight training and recreational flying by pilots in Erie and other surrounding communities.

As the Town of Erie has continued to grow, its view of its relationship with EIK has evolved. While the Town may not have historically seen EIK as an economic generator for the town (being a predominantly recreational aviation facility), the 2020 Colorado Aviation Economic Impact Study showed that EIK contributed nearly \$36 million in business revenue to the State of Colorado. This, in part, spurred the Town and Airport Economic Development Advisory Board (AEDAB) to seek a better understanding of the economic impacts EIK has on the community.

### Previous Planning Efforts

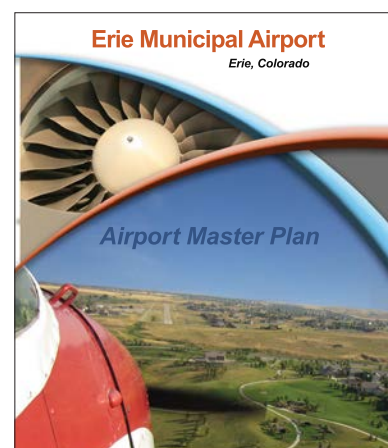
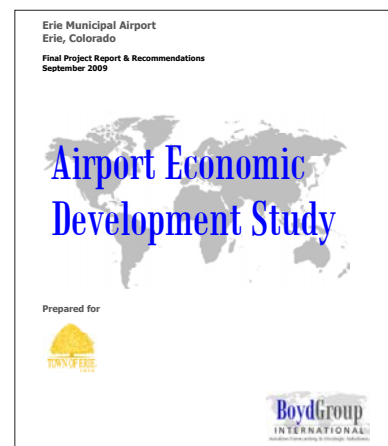
The following studies provide context about the history and potential of EIK and the surrounding planning area; they informed the analysis and recommendations:

#### Airport Economic Development Study (2009)

The study considered uses that were compatible with airport operations, economic objectives of the Town, and would help EIK to operate in a self-sustaining manner that would generate the maximum benefit to the Town. An assessment of airport property and surrounding property was done to understand the existing economic base value the land brings to the Town, identified potential funding sources for infrastructure improvements, and defined scenarios for how EIK could become more efficient.

#### Airport Master Plan Update (2016)

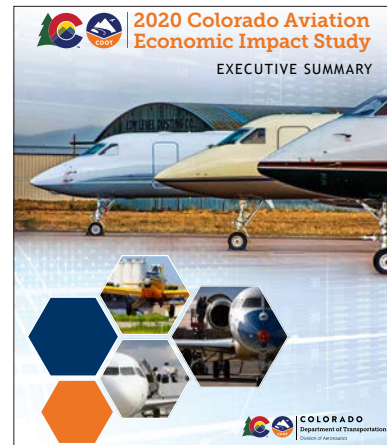
Prepared by Airport Development Group, Inc. (ADG), the master plan provided an assessment of EIK's existing conditions, challenges, and improvement options and costs for the property. There were 10 development alternatives that were explored ranging from short to long-term improvements for EIK operations and services at a variety of price points. Expansion of the main runway was a development alternative considered, but the main goal of this study was to maximize the use of the current airport property. This study was focused on the airport property with little consideration for surrounding property impacts.



**Colorado Aviation System Plan and Economic Impact Study: Erie Municipal (2020)**

The Colorado Department of Transportation (CDOT) Division of Aeronautics undertook the 2020 Impact Study to understand aviation contributions to the state. The study consisted of 70 total airports in Colorado’s public-use airport system including EIK. EIK is a General Aviation (GA) Local airport and is one of 56 total GA airports in Colorado. EIK helps generate support for over 200 jobs and generated nearly \$36 million in business revenues for Colorado.

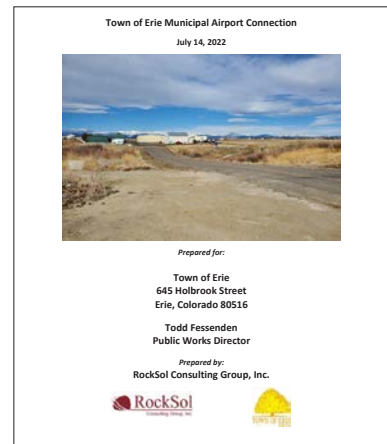
CDOT will update this report in 2025.



**Town of Erie Municipal Airport Connection (2022)**

This connection study by RockSol Consulting Group, Inc. explored the opportunities for a second access point to EIK. EIK’s current primary access point is from Baseline Road at the south side of the property. There were six alternatives proposed in the study, and three were explored in further detail. Each of the alternatives provided access from County Line Road that would provide access for emergency vehicles and other traffic.

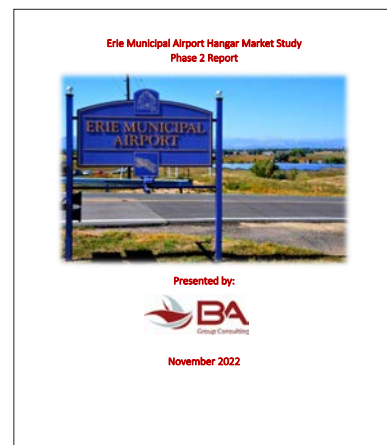
The preferred conceptual layout, Alternative 1, was explored as a part of Scenario 2a in this report. The project was estimated to cost approximately \$8.01 million in 2022.



**Erie Municipal Airport Hangar Market Study Phase 1 and 2 (2022)**

The BA Group conducted a study that looked at the regional market for hangar rents and management opportunities to determine the market position and potential for hangar development in EIK. Based on this market opportunity, the study recommended improvements and an assessment of how many additional hangars could be built on the airport property. A five-year forecast and demand analysis was also included in the study.

The findings of the Hangar Market Study were used to inform the strategies and recommendations, and costs assumptions from the study were used in the Development Feasibility section of this report.



**Crosswind Runway Study (2024, not yet finalized)**

Economic & Planning Systems, Inc. (EPS) was hired to conduct a study for the decommissioned crosswind runway at EIK. This study evaluated the approximately 15 acres of land that makes up the eastern portion of Runway 9-27 near Erie Airpark Neighborhood to determine the highest and best use of the land that can be revenue generating for EIK.

This report explores commercial hangar development on the crosswind runway land.

**Elevate Erie Comprehensive Plan (2024)**

The Elevate Erie Comprehensive Plan is an update of the 2015 plan. Given changes in the market and population growth, a new plan was created to help better plan for land management and strategic growth in the future, as well as reflect the needs and wants of the community.

The comprehensive plan will become a policy document that provide guidance for Town leadership and staff to use when making decisions regarding Erie’s future. The goals and strategies outlined in the plan, paired with the Future Land Use map, will be referenced to ensure that development aligns with what has been identified. The comprehensive plan sets a vision for the Town of Erie.

## ENGAGEMENT

Development Strategies toured the Town and airport in December 2023. Several stakeholder conversations with local subject matter experts, including the Airport Manager Jason Hurd, and real estate developers and brokers, occurred to understand the current challenges facing the airport, how the airport might be a better economic driver, and development pressures facing the Town.

Development Strategies met with the Economic Development Department regularly to provide updates on the project and review work.

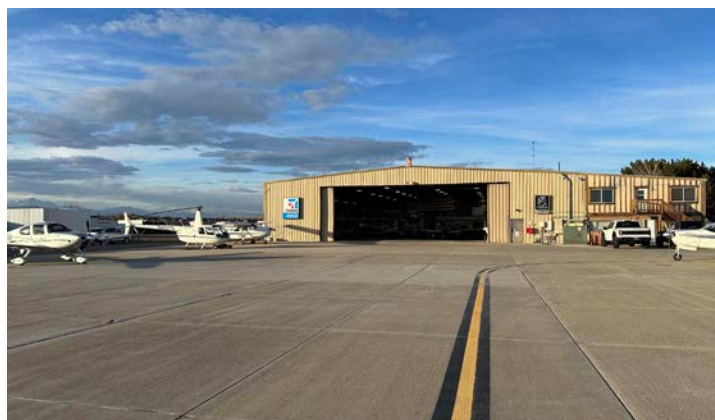
Development Strategies also met with the Town of Erie Planning and Development Department to explore ideas about what investments need to occur around the airport. The comprehensive planning process was happening concurrently with this effort, allowing Development Strategies to align strategies and recommendations with the goals, strategies, and Future Land Use map in the comprehensive plan.

Three meetings with the AEDAB were held in 2024 on March 21, July 18, and October 24.

- **Meeting 1:** Socioeconomic and development trends that impact the airport were summarized. Discussion was facilitated about the project goals.
- **Meeting 2:** Draft strategies and land use scenarios were presented to the group. These and use scenarios were focused on the maximization of airport property and future expansion possibilities.
- **Meeting 3:** Recommendations for the strategies and a breakdown of the high-level fiscal impacts development would have on the Town were presented and discussed.

A final presentation was given to the Town Council on November 19, 2024 to provide an overview of the study, strategies, and impacts to the Town.

A short survey was available to Erie residents to provide their thoughts and ideas about what would help bring visitors to EIK who may not be a part of the aviation community. The results of the survey are included in the appendix of the report.





# SITE & MARKETABILITY

## INTRODUCTION

The intent of this study is to better understand the economic relationship between the EIK and the Town of Erie, and with this understanding, craft strategies to strengthen EIK’s position as an economic asset. This study consists of several key components designed to answer two main questions:

- How can EIK be a more visible part of Erie?
- How can EIK be more of an economic development asset?

This study includes:

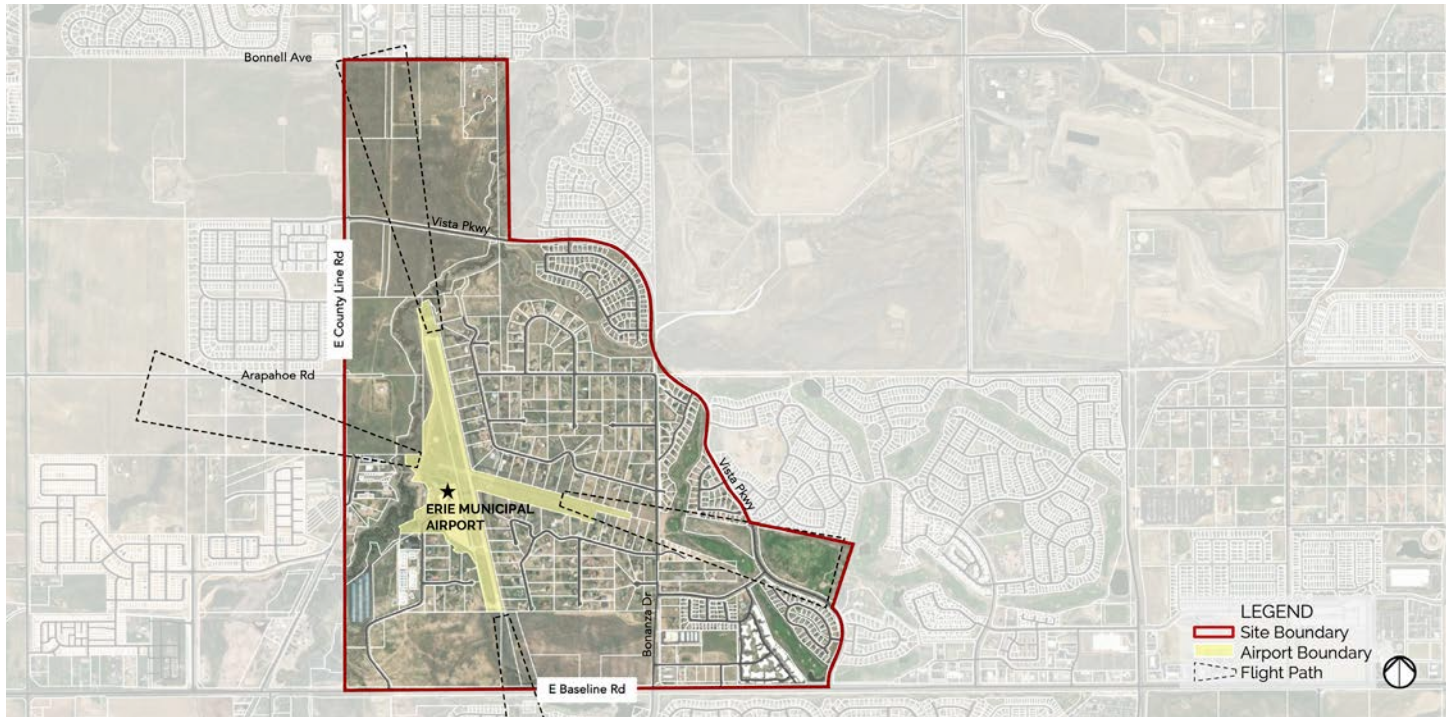
- An **analysis of existing conditions** that impact demand for real estate. This includes an understanding of EIK’s current operations, Town growth trends, development trends, and other factors.
- **Market analysis** that asks the question, “what is possible?” from EIK’s perspective and the real estate market perspective. This includes an assessment of development trends in both Weld and Boulder Counties, where recent development has been built, and other market performance considerations.

- A **market strategy** that builds on the market analysis to answer the question, “how do we get there?” Seven elements were used to support the exploration of three main strategies focused for EIK operations. Considerations for how the study area may build out over time that supports the Future Land Use Plan in the Elevate Erie Comprehensive Plan were also explored.

- An **assessment of the potential revenue impacts** of the three strategies to better understand fiscal impacts that EIK brings to the Town today and could generate for the Town with additional development.

Overall, EIK faces several challenges to becoming a stronger economic asset, including the need to improve existing facilities and access to the airport. EIK provides services to a small portion of residents—both in Erie and surrounding communities—who are a part of the aviation community, but has limited services or amenities to attract others to visit EIK or surrounding area. Increased use of the airport and surrounding land could help support Erie’s growing market and EIK’s operations.

## STUDY AREA AIRPORT PROPERTY



### STUDY AREA OVERVIEW

The study area, which was updated from the 2009 Airport Economic Development Study, encompasses EIK and is roughly bounded by Bonnell Avenue to the north, County Line Road to the west, Baseline Road to the south, and Vista Parkway to the east. This study area contains 1,342 acres in total.

### Existing Development Pattern

The majority of the study area is composed of airport, light industrial, and residential development. There is a small number of commercial uses in the study area, and Coal Creek Trail cuts through the area.

There are over 400 acres of undeveloped land, including floodplain, in the study area.

### Zoning

There are multiple zoning classifications included in the overall study area. They are:

- Airport (AP)
- Rural Residential (RR)
- Rural Preservation 2 (RP-2)
- Suburban Residential (SR)
- Low Density Residential (LR)
- Planned Development (PD)
- Business (B)
- Community Commercial (CC)
- Light Industrial (LI)

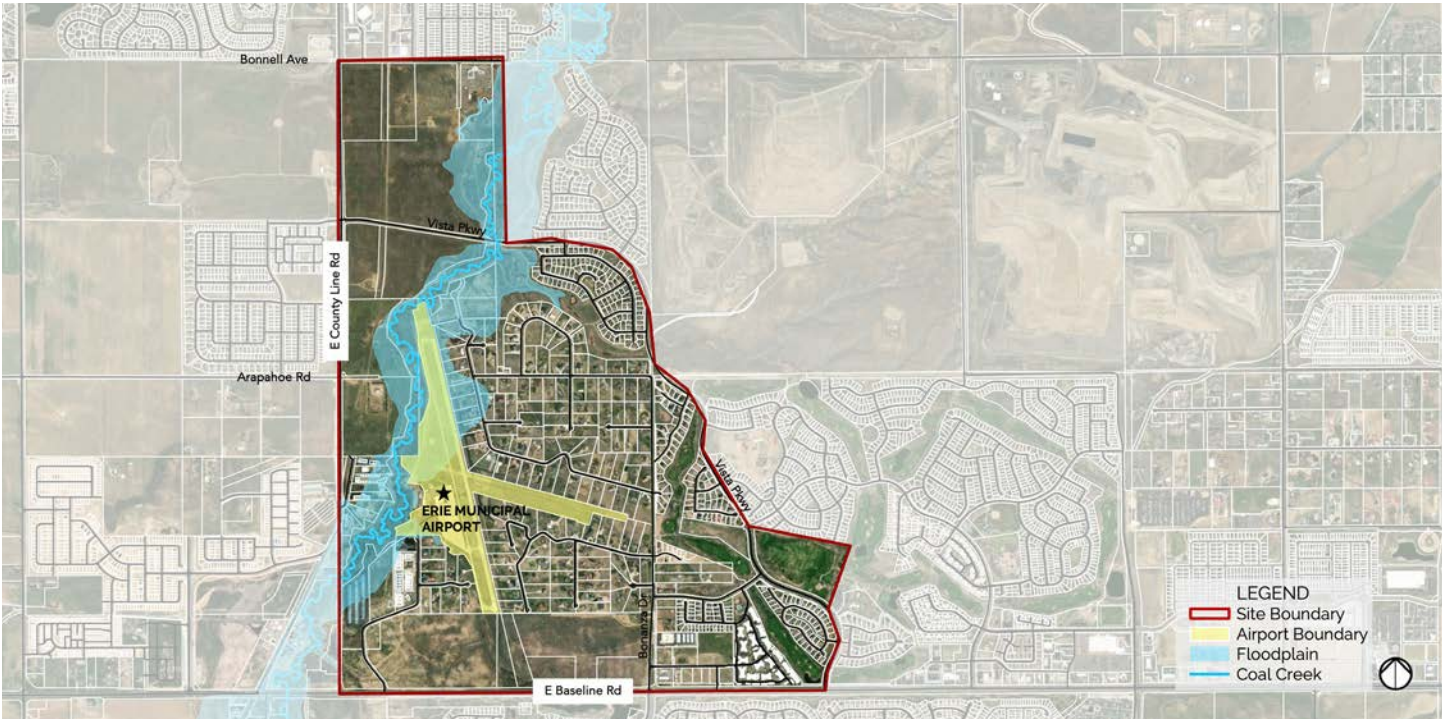
Not all of the land is developed and rezoning of select parcels will be needed, depending on future project proposals. Such projects and rezoning applications will need to align with the 2024 Comprehensive Plan and Future Land Use Map. The undeveloped land is concentrated to the west and south of the airport property, providing ample opportunity for new development to locate off Baseline Road and County Line Road.

### Recent Development

Development activity has been very strong in and around Erie in recent years. Since the adoption of the 2009 study, residential development has been built on the west side of County Line Road (Compass Neighborhood) and commercial pad sites and a recreational facility were approved and constructed at the southeast corner of County Line Road and Bonnell Avenue.

A development proposal is also under staff review at the southwest corner of the study area off Highway 7. Proposed development includes additional hangar spaces for airplane storage and commercial development.

### STUDY AREA CONTEXT





## REAL ESTATE MARKET CONDITIONS

This section provides a high-level summary of real estate market conditions in Erie and its broader market area.

### Industrial

There are approximately 40 industrial properties in Erie with nearly 860,000 square feet of industrial space. The vacancy rate is 1.6 percent with an average rent of \$15.50 per square foot (PSF). There has been a 16 percent increase in the total square footage of industrial space in Erie with 136,600 square feet being built since 2018.

### Retail

There are approximately 68 retail properties in Erie, totaling around 804,000 square feet of space. The total vacancy rate is under a percent as of September 2024 with an average annual rent of about \$26.20 PSF. Since 2018, Erie has built nearly 275,000 square feet of retail space contributing to a 46 percent increase in space.

### Hospitality

There are currently no hotels within the town limits of Erie. There are two hotels in final planning stages that would add more than 600 rooms if approved and constructed.

### Residential

There are six multifamily properties in Erie totaling 611 units. The total occupancy rate as of September 2024 is 75 percent (as of January 2024, the occupancy rate was 46 percent due to 480 units being delivered in 2023), indicating there are vacant units that still need to be absorbed into the market. This is expected to stabilize. Since 2018, a total of 482—three properties—were added in Erie. The average monthly rent PSF is \$2.14.

Erie has a strong single-family housing market. The average sales price for homes was \$778,300 and median sales price was \$717,000 as of January 2024. There is only a 1.3-month supply of homes available in the market as of January 2024.

### Office

There are 23 office properties in Erie, totaling nearly 143,600 square feet of space. Office space is completely leased in Erie (a zero percent vacancy) and has an average yearly rent of \$24 PSF. Approximately 33,300 square feet of office space has been built since 2018 which is a four percent increase.

## MARKET SUMMARY

All sectors have strong development trends, and low vacancy rates, indicating very strong demand for all land uses in Erie. A portion of this demand can be met in the study area.

### KEY REAL ESTATE METRICS TOWN OF ERIE

INDUSTRIAL	RETAIL	MULTIFAMILY	OFFICE
TOTAL SQUARE FOOTAGE <b>860K</b>	TOTAL SQUARE FOOTAGE <b>804K</b>	TOTAL UNITS <b>660</b>	TOTAL SQUARE FOOTAGE <b>144K</b>
VACANCY RATE <b>2%</b>	VACANCY RATE <b>3%</b>	VACANCY RATE* <b>54%</b>	VACANCY RATE <b>0%</b>
ANNUAL RENT/SF <b>\$15.50</b>	ANNUAL RENT/SF** <b>\$26.00</b>	MONTHLY RENT/SF <b>\$2.00</b>	ANNUAL RENT/SF*** <b>\$24.00</b>
SF DELIVERED SINCE 2018 <b>136.6K</b>	SF DELIVERED SINCE 2018 <b>275K</b>	UNITS DELIVERED SINCE 2018 <b>480</b>	SF DELIVERED SINCE 2018 <b>33K</b>
% CHANGE IN TOTAL SF SINCE 2018 <b>16%</b>	% CHANGE IN TOTAL SF SINCE 2018 <b>46%</b>	% CHANGE IN TOTAL UNITS SINCE 2018 <b>269%</b>	% CHANGE IN TOTAL SF SINCE 2018 <b>4%</b>

Source: CoStar, 2024

\*480 units were constructed in 2023. At the time of data collection, the reported vacancy rate is high due to the units not having been absorbed by the market. The vacancy rate as of September 2024 is reported closer to 25 percent.

\*\*The annual rent PSF for commercial space is an estimate based on recent leasing data and reflective of the data reported on CoStar as of September 2024.

\*\*\*The annual rent PSF for office space is an estimate based on recent leasing data and reflective of the data reported on CoStar as of September 2024.

## SWOT ANALYSIS

### Strengths and Assets

The Town of Erie's location between Denver and Boulder puts it in a favorable location for continued growth. The airport is in a good location relative to Erie's development patterns, and is three miles south of Downtown. As noted in the 2022 Airport Hangar Market Study, the regional and local growth patterns reinforce Erie's position to develop as an economic center and transition away from being a bedroom community. This strong market position can be leveraged by EIK to attract more specialized businesses that are synergistic with airport services and operations and more compatible with nearby land uses. This growth may also be captured directly by development on EIK property, which could have a multiplying effect over time.

EIK is an economic asset for the Town. Currently, the focus of its economic activity is with the aviation community living in Erie and along the Front Range who use EIK for personal recreation, small business, and flight training. Given the limited capacity of other regional General Aviation airports, EIK is positioned to capture some of the regional demand, with future on-site development. EIK is exploring what it means to develop on the current property and expand its hangar capacity.

### Weaknesses

Both the 2009 Economic Development Study and the 2016 Airport Master Plan set forth several goals for improvement, growth and expansion, but for a variety of reasons there has been limited implementation. Additionally, there is competition with neighboring airports in Boulder and Longmont that have been able to develop hangars more quickly than EIK. The lack of hangar development is a missed opportunity for EIK to continue increasing its revenue. Many of the facilities, such as the FBO, are old and need to be replaced or repaired. There is also limited roadway infrastructure (one access point to EIK) and a lack of utility connections to nearby land that makes development more difficult and costly.

A significant portion of EIK's land is impacted by floodplain. This may force EIK to acquire additional land in order to expand, but increasing land costs may not make this easy. The closure of the crosswind runway has left EIK with one operational runway that may impact daily use and the ability to offer additional aviation services. Additionally, due to development surrounding EIK and the presence of Coal Creek, the main runway cannot be lengthened to support larger aircraft that other neighboring airports can.

### Opportunities

Increased usage of the airport will continue to generate more revenue for both EIK and the Town. The crosswind runway closure allows EIK to reuse the land for a new purpose; and other surrounding land near the FBO can be developed without the need to acquire additional land. The 2024 Crosswind Runway Study provides recommendations for developing this space.

The land immediately surrounding EIK provides opportunity for development of airport-related businesses and services. EIK can focus efforts to attract businesses that otherwise would not locate in Erie without the airport; however, not all of the future development needs to directly service or benefit from the airport. Additional commercial, industrial, and office/flex uses, that complement and benefit from the concentration of such uses, may be attracted to locate here.

Given the development potential, this provides an opportunity for EIK, the AEDAB, and Town staff to strengthen their partnerships with one another.

### Threats

Some of the Erie Airpark neighborhood residents find being located near EIK beneficial as they are a part of the local aviation community; however, other residents do not share the same sentiment. Residential push-back for expanded operations could hinder more development in the future. Additionally, there has been recent legal action taken against other neighboring airports that may also challenge expanding operations.

While the crosswind runway presents an opportunity for redevelopment, there may be a limited number of options available as it would have to comply with FAA standards and regulations.



<ul style="list-style-type: none"> <li>• Location along an emerging commercial corridor (Baseline Road/Highway 7)</li> <li>• Airport-specific development is at full capacity (hangars for storage)</li> <li>• Potential gateway to the Town</li> <li>• Adjacent landowners open to development</li> <li>• Strong airport community</li> <li>• Support from elected officials and town staff</li> <li>• Economic value of the airport to the town*</li> <li>• Available land for development*</li> <li>• A potential for continued off-airport and on-airport development that would complement EIK*</li> </ul>		<ul style="list-style-type: none"> <li>• Limited land availability without expanding footprint</li> <li>• Aging and deteriorating facilities</li> <li>• Closure of the crosswind runway</li> <li>• Limited hangar space</li> <li>• Lack of utility connections to the south</li> <li>• Limited road infrastructure</li> <li>• Floodplain</li> <li>• Historically minimal involvement by the Town*</li> <li>• Airport master plan is outdated and needs an updated business and marketing plan*</li> <li>• Close proximity of EIK to and Rocky Mountain Metropolitan Airport (BJC) may drive demand to BJC and other neighboring airports that are ahead in hangar development*</li> <li>• Runway length limiting some of the light and medium jet demand*</li> </ul>
<ul style="list-style-type: none"> <li>• Expansion of airport-related businesses/ services on site</li> <li>• Possible redevelopment of crosswind runway</li> <li>• Expansion of industrial and commercial uses adjacent to EIK</li> <li>• Improve airport/Town partnership</li> <li>• Economic opportunities for the town of Erie due to increased air traffic, trade, shipping, and private business*</li> <li>• The Town taking more of a leadership role could result in the airport's improved financial and operational growth*</li> <li>• Enabling on-airport development will significantly increase airport revenues*</li> <li>• Hangar development</li> <li>• Acquisition of adjacent land by Town to expand EIK footprint</li> </ul>		<ul style="list-style-type: none"> <li>• Single-family development</li> <li>• Residential push-back for expanded airport operations (e.g., Boulder County lawsuit)</li> <li>• Limited ability to expand runway</li> <li>• Limited FAA support for redevelopment of crosswind runway</li> <li>• Coal Creek prevents further development to the west of the airport. Off-airport development threatens on-airport development if not properly managed*</li> <li>• Airports within the area are already in the development of hangars of various sizes and prepping the infrastructure to have shovel-ready land for developers*</li> <li>• Interest/competition from private developers for possible expansion land</li> </ul>

*\*from the 2022 Erie Municipal Airport Hangar Market Study Phase 1*

## CONCLUSIONS FOR STUDY AREA & AIRPORT PROPERTY

Strong population growth in Erie and the Town’s market area is driving demand for real estate development in all sectors. As the Town continues to grow residents demand more services and more places to conduct business, while retailers and businesses want to locate there to capture growing demand. This creates a multitude of opportunities across the town and in the study area.

It is important to be strategic about land uses on airport property and in the study area because, while there is demand for nearly every sector in Erie, not all uses are compatible with the airport operations and with the Town’s long-term goals for the study area, including leveraging the airport to foster economic development. Much of this vision and desired land use framework is described and mapped in the 2024 Elevate Erie Comprehensive Plan and Future Land Use Plan.

The graphic below summarizes market conclusions for Erie and the study area. Key observations for the study area are as follows:

- Industrial:** There is long-term market support for smaller scale light industrial development (i.e., 5,000 to 50,000 square foot buildings) in the Study Area, particularly for space that might include hangars and provide opportunity for aviation-related businesses to add facilities with access to the airport. Existing small-scale industrial and flex buildings are generally occupied and there is not currently space for businesses that require such facilities in Erie.

- Retail:** While several retail nodes are developing in and near Erie, there is market support for continued retail development. This fits into the study area along Highway 7, where there is newer and established retail development and high visibility. There is the potential for additional, smaller-scale, retail along county-line road to support industrial development that might occur there, as well as the growing residential population to the west.
- Hospitality:** Hotel developers seek sites with high visibility along major corridors, relatively easy access, and/or near recreational destinations or major employment centers. Leisure and business travel are the primary demand generators for hotels. Demand is considered moderate overall for hotels in Erie because of the substantial regional competition.
- Single-family:** The single-family market is anticipated to remain strong in Erie for many years; however, the land available in the study area is not suitable for single-family development because of the inherent nature of airport operations (i.e., noise). There remain many suitable sites for continued residential development in other locations in Erie.
- Multifamily:** Erie has two new apartment developments coming online, the first developed in the Town, and demand is expected to remain strong. This use would be suitable in the southeast portion of the study area, but would limit the potential for light industrial and employment growth if it were located elsewhere in the study area.
- Office:** Similar to small-scale industrial, there is very limited supply today for office users, including startups and small businesses. Thus, there is demand for such space and this is an appropriate use in the study area, particularly attached to light industrial or flex space.

## DEVELOPMENT SUMMARY

	INDUSTRIAL	RETAIL	HOSPITALITY	SINGLE-FAMILY	MULTIFAMILY	OFFICE
						
<b>ERIE MARKET CONDITIONS</b>	STRONG	STRONG	MODERATE	STRONG	STRONG	STRONG
<b>ERIE OVERVIEW</b>	Market has rapidly grown with clusters on the edge of town along I-25	Retail development has rapidly grown on the edges of town and in Downtown/Old Town Erie	Hotel development in Erie has been nonexistent until recently, with proposed projects outside of town	The single-family market has continued to be strong due to growth in Erie	The multi-family market has been supported by growth and increasing demand for high-quality rental housing	While office development has significantly grown, it is higher risk post-COVID
<b>STUDY AREA MARKETABILITY</b>	Strong regional market conditions Existing cluster north of the airport Proximity I-25 and highway network	Strong regional market Proximity to cluster of retail in town center High visibility from Highway 7	Lack of local competition Proximity to I-25 and highway network	Opportunity to capture growing population Near existing single-family housing developments	Proximity to I-25 and highway network Opportunity to capture growing population Demand for high-quality rental housing	Proximity to I-25 and highway network Low vacancy Complementary to flex/industrial space
<b>STUDY AREA MARKETABILITY CHALLENGES</b>	Regional competition Need for local/regional planning & coordination	Competition with clusters in Lafayette and 160 <sup>th</sup> Avenue Much higher rents compared to the other parts of region Site accessibility	Regional competition nearby towns Lack of supportive jobs and amenities	Lack of compatibility with airport Site lends itself to other best uses	Distance to job centers Lack of supportive amenities like restaurants Need for adequate utility infrastructure	Distance from cluster of offices in historic Erie Lack of supportive amenities like restaurants
<b>STUDY AREA FEASIBILITY</b>	STRONG	STRONG	MODERATE	MODERATE (not preferable)	STRONG	MODERATE to STRONG



# ECONOMIC DEVELOPMENT STRATEGY

## INTRODUCTION

The market analysis establishes a baseline understanding of the opportunities for market-supported development in the study area. The next step is to describe how the Town and AEDAB can capitalize on the opportunities to leverage EIK for economic development.

### What is an Economic Development Strategy

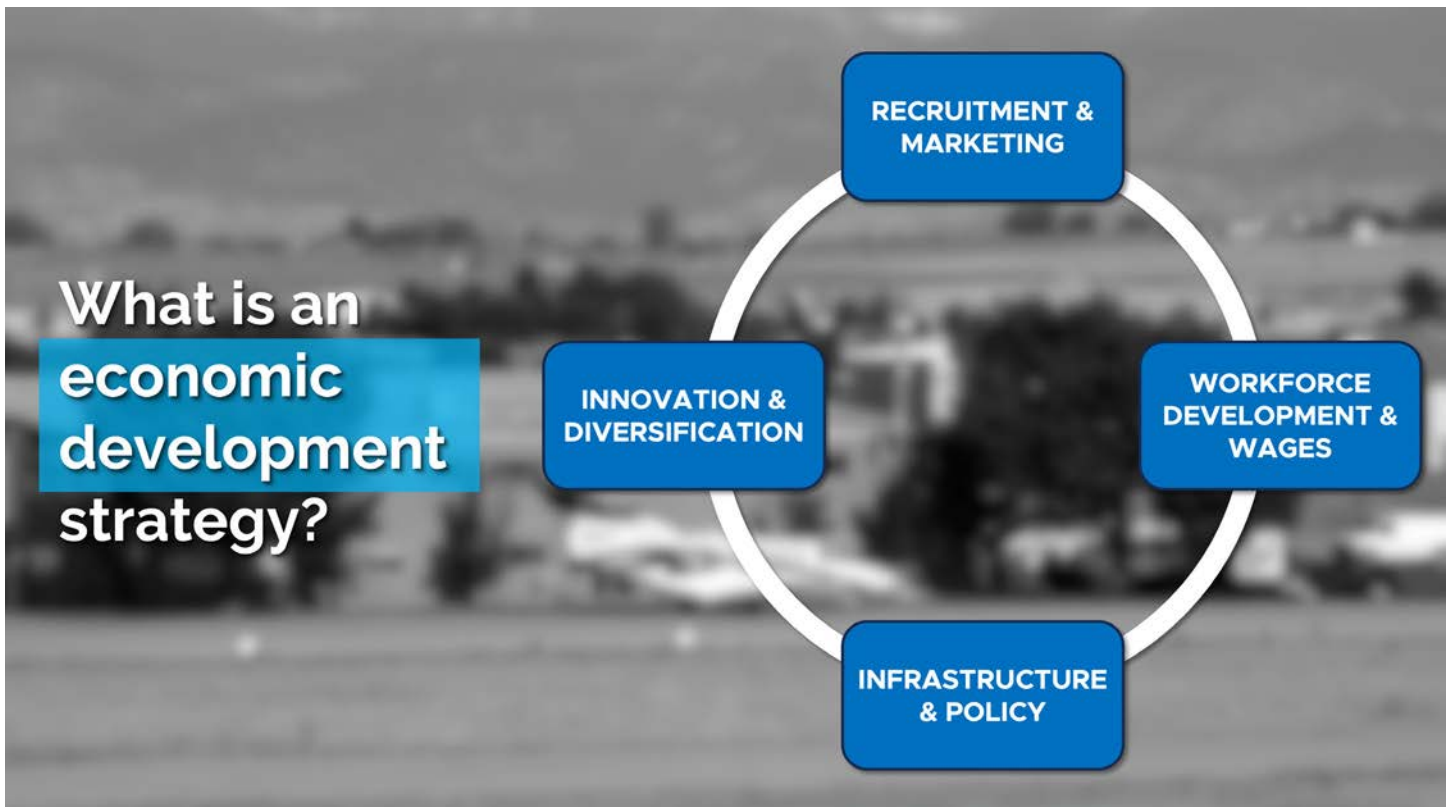
And economic development strategy provides market-supported action steps to increase economic activity. Core components of an economic development strategy include:

- **Recruitment & marketing:** Creating opportunities for businesses—startups, growing, and long-established—is a critical pillar to economic development. In the case of EIK, it is important to first create the framework for expanded economic activity, then market opportunities and recruit specific users that complement ongoing activity.
- **Workforce development & wages:** Attracting businesses that create jobs that pay livable wages in Erie is an important step in the Town's evolution. The Town can also support

these businesses by linking potential workers with job training so that they can demonstrate that Erie has the right workforce to support business growth.

- **Infrastructure & policy:** Another key way the Town can support economic development in the EIK study area is to identify what infrastructure is needed to support development and business growth, to plan for infrastructure improvements in the annual budget process, to align incentives, such as Tax Increment Financing (TIF), to pay for a portion of the improvements, and align policy (i.e., zoning) to create a clear path to development.
- **Innovation & diversification:** The above concepts all support another key goal, which is to create an environment where innovation is possible, new concepts (business or product) can be tested and brought to market, and the types of businesses in the community are diversified.

For EIK, this involves maximizing the economic productivity of the existing airport footprint, while also looking for ways to strategically expand.



## STRATEGIES OVERVIEW

The study area includes 311 acres of land that could be developed. Based on the market analysis, we conclude that nearly 60 acres of this land would be developed over the next 20 years if development patterns continued as they have (the status quo). A more aggressive scenario projects up to 165 acres could be developed given strong demand and growth potential. There is a need to define what development problems need to be solved. These relate back to the purpose of the study:

- How can EIK be a more visible part of Erie?
- How can EIK be more of an economic development asset?

These two questions should be prioritized based on the needs of the airport and Town. Similarly, other developers and investors will be looking to the Town for guidance on how the rest of land can and should develop near EIK.

**Strategy 1** focuses on maximizing the existing airport property. This will allow the airport to focus on what is available and achievable in the short- to mid-term.

There are four main elements for this strategy:

- Hangar development
- Activation
- Visibility
- Place

**Strategy 2** places an emphasis on the expansion of the airport property itself so that the Town can more proactively shape future development. This would require the purchase of land to expand airport property and could be mid- to long-term efforts explored by EIK.

There are three elements that help drive the strategies:

- Acquire
- Develop
- Partner

It is important to note that Strategies 1 and 2 are not mutually exclusive and the elements defined and further explored will continue to support redevelopment, new development, and the expansion of airport businesses and uses.



**Hangar development** is the primary development type that EIK can invest in right now. This additional revenue generated from renting and/or selling the space would help to invest in future upgrades and development.



**Activation** focuses on programming, branding, marketing, and messaging actions elements that EIK could engage in to have a stronger presence in the community.



**Visibility** is about making more people aware of the airport. While this works directly with activation strategies, visibility is focused on the accessibility of the airport for community members.



**Place** is about creating a destination for residents and visitors to go in Erie.



**Acquire** focuses on realistic land acquisition opportunities that would allow for the development of more aviation-focused and other complementary businesses.



**Develop** to continue increasing revenues collected by EIK to invest back into the property and operations. Development on expanded airport property does not have to be aviation-related and can support alternative businesses and uses.



**Partner** and cultivate stronger relationships with experienced developers, Town leadership, and the FAA to build support for continued operations and investment in and around EIK.



## STRATEGY 1: MAXIMIZE THE CURRENT FOOTPRINT

Strategy 1 focuses on the 84 acres that encompass the current Fixed Base Operator (FBO) building, hangars, tie-downs, and runways. Roughly 50 acres have been identified for the development and replacement of existing hangars and tie-downs and a new FBO building. Other development opportunities may be explored off property including investment in signage and a new connection from County Line Road (shown in Strategy 2a).

### Task 1: Hangar Development

Hangar development has been extensively reviewed in the 2009 Airport Economic Development Study, the 2016 Airport Master Plan, and the 2022 Airport Hangar Market Study. These recommend the development of more hangar space on EIK property and the 2022 report specifically analyzed how EIK compares to other neighboring airports with hangars; including the number of total hangars, sizes of hangars available, and achievable market rental rates.

There remains **substantial demand for new hangar space for small airplane storage at EIK and along the Front Range.**

The existing facilities at the airport are inadequate and the recent actions to move the weather station make the development of new hangar space more feasible than ever. In addition to increasing revenue through potential property taxes, land leases, and usage/access fees, having more based aircraft will increase fuel sales and demand for repair services.

Therefore, **this strategy recommends moving forward with hangar development**, starting with the site labeled “Option 2” in the graphic below. The following statements summarize the recommended order of operations:

1. Revise the ordinance(s) that regulate the commercial and residential license access fees, land lease rates, tie-down fees, pass-through fees, and other applicable fees so that the rates can be increased to current market rates and revised on an annual basis based on the actual operating costs of the airport. Any revisions would need to comply with FAA requirements about airport fees.
2. Decide on the preferred development approach (see Decision Point, below). This strategy recommends partnering with a private developer for at least the first phase of hangar development to expedite the process.
3. Identify and secure cost bids for the infrastructure needed to support the hangar development identified for Option 2 in the 2022 Airport Hangar Market Study (44 hangars—20 small, 18 medium, and 6 large).
4. Issue an RFP to secure a private developer partner to construct, lease, and manage the hangars.
5. Utilize increased revenue, potential FAA grants, TIF or other tools to underwrite needed infrastructure improvements.
6. Offer lessees of the existing hangars who have functional aircraft (i.e., active users) space in the new hangars (at market rates) to help facilitate the removal of those hangars and to prepare that site for new hangar development.
7. Repeat steps #1 to #5 for Option 1 and Option 3.

### MAXIMIZE THE CURRENT FOOTPRINT HANGAR DEVELOPMENT



### DECISION POINT

The Town and AEDAB must decide on the best approach to facilitate additional hangar space development. The options include:

1. **Partner with a private developer** via a land lease to built, lease, sell (subject to a land lease), and manage the hangars. The Town would gain land lease revenue, airport access fees, and property taxes on the privately-owned improvements.
2. **Serve as the developer and owner** of the hangars, lease the to tenants, and manage the hangars. The Town would gain hangar lease revenue and airport access fees. This would require the town to raise/borrow funds to cover the construction costs.
3. **Serve as the developer of the hangars and sell them**, with land leases, to private owners. The Town would gain hangar sales revenue, land lease revenue, airport access fees, and property taxes on the privately-owned improvements. This would require the town to raise/borrow funds to cover the construction costs and EIK or a private entity to manage the ongoing maintenance.
4. A combination of the above.

## Task 2: Activate and Market EIK

There is strong community support to make EIK more integrated into the Town and increased activity at the airport will translate into greater potential revenue on-airport and off. There are a number of actions that the Town and AEDAB should take to market, attract, and make the airport more accessible.

If EIK hosted more community events, a small amount of tourism would be able to be generated by the airport and make it more of a community feature. There are a variety of ways that EIK could increase its community presence including the increase of programming, branding, marketing, and messaging. These efforts are codependent of one another; it would be difficult to do one without somehow incorporating another. For instance, as EIK increases its online presence to advertise for different events that are being hosted, EIK will also be marketing itself to the rest of the community.

The airport can explore what it may look like to host events throughout the years. Programming efforts include:

- **Movie nights and other community events** that are be hosted in hangar spaces or at the FBO that provide a covered space. This would allow for year-round programming opportunities to be explored and events to be hosted more consistently at EIK.

- **Fly-in events and car shows** that may be used to attract families and fans to the property to look at and learn about planes and cars.
- **Special air or drone shows** should also be explored as a component of this. This will take time to coordinate efforts with possible partners who would want to be involved, get Town and residential support an approval, and set up the event.

Actions relating to **marketing and branding** include:

1. Establish a brand for EIK that carries through to all buildings, signage, promotions and marketing collateral, and adjacent off-airport development.
2. Publish regular airport updates with “did you know?” infographics about key statistics, milestones and airport events, to be shared on social media.
3. Promote businesses located on and adjacent to the airport, including the flight school.
4. Promote EIK events, including the annual fly-in.

### MAXIMIZE THE CURRENT FOOTPRINT ACTIVATING EIK





### Task 3: Improving Visibility and Access to EIK

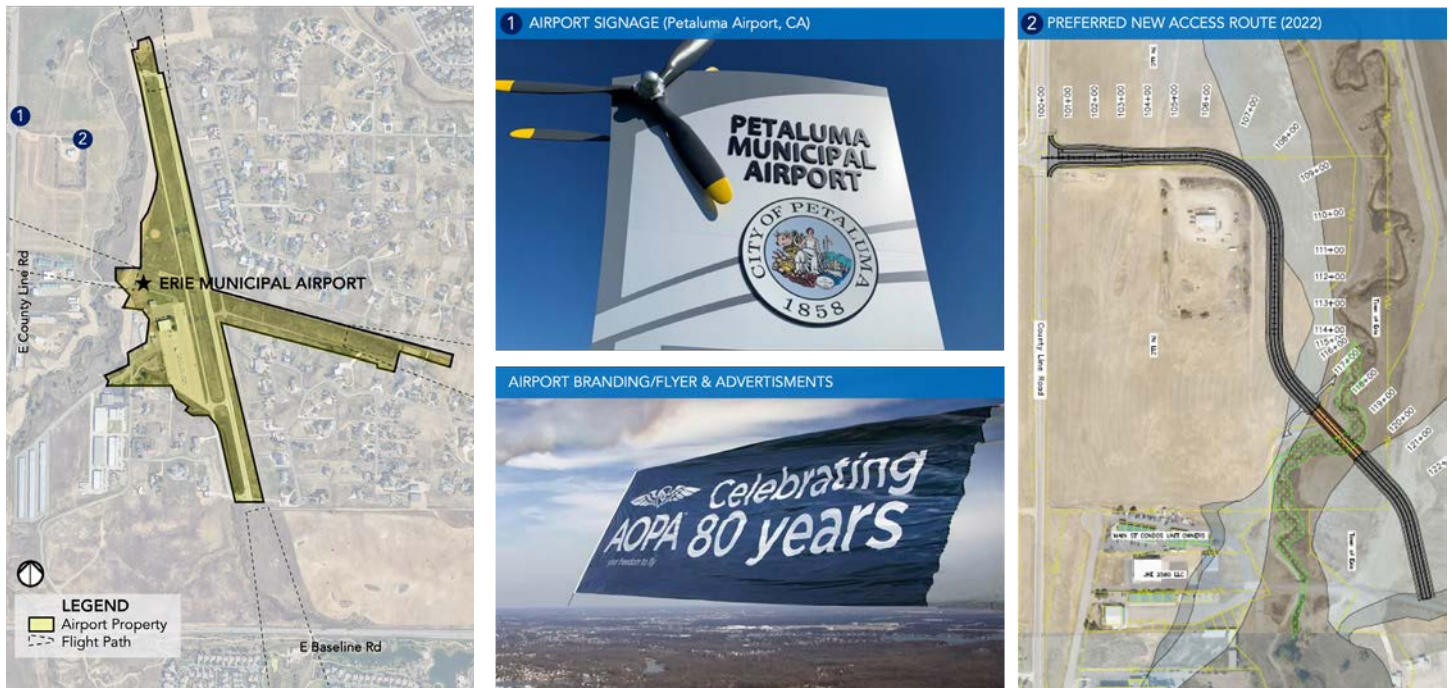
There is a barrier to the overall accessibility of the airport. Currently, the airport is served by one entrance located to the south of the property along Baseline Road/Highway 7. The 2016 Airport Connection Study explored several alternatives for creating another access point. Ultimately, the preferred connection to the airport would come from the west with access from County Line Road at Arapahoe Road. This new access point would make getting to the airport easier and safer for those traveling throughout Erie.

Actions related to **enhancing EIK's visibility and access** include:

1. Implementing actions 1 and 4 under **marketing and branding** will continue to increase awareness and visibility of the airport.

2. Review the 2022 Airport Connection study to explore the preferred roadway connection (Alternative 1). It is recommended that the costs for the roadway and land acquisition be evaluated to determine what the total cost of the project will be.
3. Once a total cost for land acquisition and construction are determined, identify and secure cost bids for the project.
4. Issue an RFP to secure a private developer partner to construct the roadway.
5. Secure funds to put towards the project using grants (i.e.; FAA, State, and Federal dollars), fundings tools such as TIF and the Airport Fund, and other fundraising strategies. Increased revenues collected through any development can be set aside as an additional income source.

### MAXIMIZE THE CURRENT FOOTPRINT MAKING EIK VISIBLE





### Task 4: Making EIK a Destination

With only a few programs each year, there is little to attract people out to EIK if they are not already a part of the aviation community. While previous studies have pointed to the need for upgraded facilities at the FBO, a new building is also a main goal of VAM's to achieve in the future. The development of a new building would allow EIK and the Town to explore what it could mean to provide additional hangar space, office, and community rooms for rent. Multi-purpose rooms could also be designed to accommodate other event types (Task 2: Activate and Market EIK) and provide an alternative location for Town events.

A restaurant or café should be explored as another opportunity to increase businesses in this part of the Town. This will provide residents and visitors another reason to visit EIK without needing to be there for business or an event. An observation deck area would create an attraction for residents and visitors to use and potentially become a novelty destination in Erie.

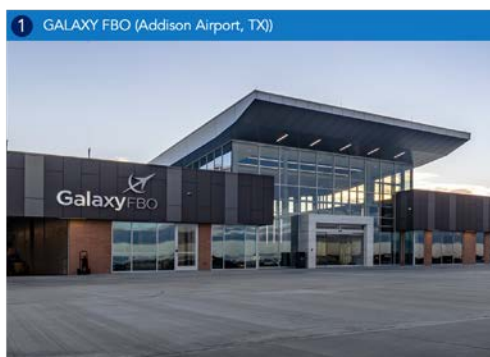
Alternatively, the FBO does not have to be the cornerstone for making EIK a destination. The AEDAB should also explore what other fun features could be developed to encourage more family outings and leverage off-property opportunities. Given Erie's extensive parks and trails network throughout the Town, the airport could create an airplane themed park and playground near Coal Creek. While not directly income or revenue generating, this feature would continue to encourage more families to come out near the airport and participate in nearby attractions and amenities. Additionally, an educational component could be considered both on and off property. K-12 education opportunities and programs could be explored that

would invite students to learn about airplanes and other aspects of aviation. Likewise, a small museum or history installation that highlights notable advancements in aviation could be considered as another feature.

Actions relating to **creating a destination** include:

1. Exploring the potential to build a new FBO facility. This would require partnering with a group that specializes in airport development to complete an evaluation of the space, identify upgrades, and determine alternative locations and features for the FBO facilities based on desired wants and needs for VAM. This could include consolidating space or expanding it to upgrade facilities for the flight school and other maintenance space. Once a concept is finalized and approved, it should be taken to the Town for approval, funding costs determined, and a bid for the project put out (RFP) to secure a developer to construct the project.
2. Reserving a space for community events to be held and rented on the property. Coordination with the Town is important to help ensure adequate site design and layout to ensure safety for visitors, as well as maximize marketing to the broader community.
3. Working with the Town to explore opportunities for additional park space near EIK property that could be designed and programmed with an aviation theme. This would go through a design and cost bid and RFP process before construction could begin.
4. Exploring other partnerships and opportunities for installations or educational opportunities and attractions such as an aviation museum or experiential learning for K-12.

### MAXIMIZE THE CURRENT FOOTPRINT MAKING EIK A DESTINATION & PLACE TO VISIT



## Evaluation of Strategy 1

Maximizing the current airport footprint will be the most cost-effective place for the AEDAB to start. The actions outlined in the previous pages can be explored and integrated as soon as possible. Additionally, the cost of implementing these actions range from low- to high-cost, making some of these efforts more achievable and timely, allowing more complex ideas to be detailed over the course of the next few years. Namely, hangar development on the property will take time to realize as coordinated efforts with the Town, nearby residents, and developers need to take place before construction can begin.

While this land is the most practical to explore development in the short-term, given current lease rates, the return on investment realized through new hangar development may be slow and take years to achieve. While on-site development will bring in more revenue for both the airport and Town, it may not be as catalytic for external economic development. With increased use of EIK via additional hangar space, the maintenance and fueling operations are likely to grow to help

provide for additional users. Airport-supporting businesses may also seek space on or near airport property, but without an increased diversity of uses, spurring complementary development could be a challenge.

Additionally, there's the potential for the goal of greater community connection to get lost without improved access to EIK. The additional roadway from County Line provides a more direct connection to Downtown Erie, and will make it easier for visitors to travel to and from the airport when visiting.

Ultimately, any efforts outlined in Strategy 1 can be explored today but may take time to realize as previously noted. Low-cost efforts such as improving marketing efforts and strengthening a social media presence can be started in-house and improve “over night” without the need for a social media manager. Construction projects will take longer, cost more, and take greater coordination than the marketing and program recommendations, but accommodating them on-site removes the need for property acquisition needed for other strategies.

### MAXIMIZE THE CURRENT FOOTPRINT [EVALUATION MATRIX](#)



	1 <i>Least</i>	2	3	4	5 <i>Most</i>
Cost Effectiveness					
ROI					
Economic Development Potential					
Community Connectivity					
Timing					



## STRATEGY 2A: WESTERN EXPANSION

Scenario 2a is focused on the acquisition of land west of the current FBO building and main runway. Roughly 60 acres have been identified that would include land north and south of Arapahoe Road. Not all of this land can be developed due to the floodplain and Coal Creek.

The conceptual plan accounts for the development of the preferred access road connection from County Line Road (as identified in the 2022 Airport Connection study), an expanded apron, and a little over 30 acres of development for various aviation, mixed-use, and industrial/flex uses. This is an update from the Conceptual Airport Business Park plan in the 2009 study. The layout of taxiway access and building dimensions and locations would need to be determined at a later time with a development plan.

### Land Acquisition and Development Opportunities

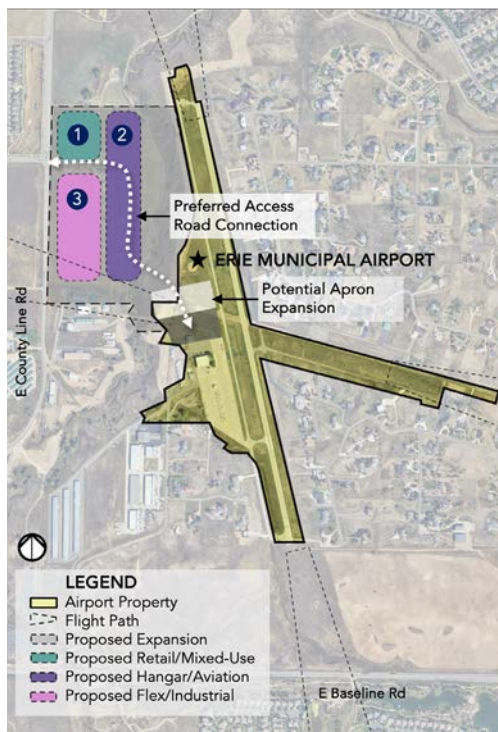
The concepts explored in Strategy 1 will be able to be incorporated with Strategy 2a. Notably, with the acquisition of land, EIK would be able to capture revenue generated by businesses and operations in the area identified in the Westward

Expansion Conceptual Plan graphic below. This additional income can be reinvested into maintaining the airport, improving facilities, and building hangars. Additionally, EIK management and the AEDAB can continue investing in the Airport Fund for future improvements with this increased revenue.

New businesses that locate near the airport do not have to be aviation-focused. While Erie has the potential to support airport-specific businesses with EIK, it is unlikely that all surrounding development will directly support and benefit from EIK's operations, though some will. Several small industrial businesses, retail, and office uses could be located along County Line Road while any additional aviation businesses and additional hangars would be located closer to EIK's existing property.

As established in the market analysis, Erie can support various businesses such as specialized offices, including but not limited to architecture and consulting firms, science and technology centers, boutique shopping, restaurants, and small-scale manufacturing and distribution businesses. Satellite office locations for expanding businesses in the Denver and Boulder region could move operations to Erie, which would help increase the employment opportunities for residents.

### WESTWARD EXPANSION CONCEPTUAL PLAN





## Considerations

There are several elements for the Town, VAM, and AEDAB to consider when exploring land acquisition to the west. While the cost of buying the land may be expensive up front, the return on the investment may be able to be recouped fairly quickly while continuing to support EIK operations and generating revenue for the airport and Town.

There are several advantages to land acquisition:

- Creates a better connection between EIK and the Town. Acquiring property to the west extends the area of influence of the airport up to County Line Road, providing a direct link to the airport and direct influence of development that could benefit from proximity to the airport. Acquiring this land would also facilitate the construction of the future roadway connection.
- Increases the Town's revenue generating potential. If the Town/EIK owns the land, it has greater control of uses and development over time. This can help maximize development potential and revenue generation to the Town.
- There is a higher potential to create a destination along the greenway system (Coal Creek Trail) with increased development. Property acquisition would allow for greater opportunities for placemaking and creating a cohesive public amenity that includes the airport.
- The development of additional businesses helps to meet market needs and address goals in the 2024 Elevate Erie Comprehensive Plan for increasing employment opportunities.

Some challenges of property acquisition that need to be considered and planned for:

- Land acquisition is expensive—early estimates indicate anywhere from \$4 million to \$7 million may be needed.
- The new access road will need to be developed to realize the land's full development potential. This project is estimated to cost \$10 million, and will get more expensive over time.
- While Erie's market is strong and will support additional development, there are inherent risks and uncertainties to private development, including market downturns, rising

interest rates, and rising construction costs, that can all affect future development feasibility. The proactive development of pad-sites and build-to-suit sites can help reduce the uncertainty and reduce the risk to developers, especially those willing to invest in market types that might be new or emerging in the Erie market.

- Utilities such as sewer and water will need to be extended to the area to support increased development. While this is a cost that may be shared with developers, some utility extension will be needed with any increased airport-serving facilities. This includes the added infrastructure costs for taxiway connections. If the Town/EIK proactively builds sites for tenants to occupy at a later time, it will be responsible for utility extensions to those sites.

### DECISION POINT

The Town, AEDAB, and VAM must decide on the best approach to acquire and develop land. The options include:

1. **Work with the Town and property owner to buy the land.** A land appraisal is recommended to be done to ensure the purchase price of the land is fair. If the Town/EIK becomes the owner of the land:
  - a. **Create a development plan for the area.** One approach is to have the Town conduct a pre-development plan for the area, as an effort to conduct as much due diligence as possible prior to engaging a developer. Such an effort would help identify any needed changes in zoning, possible incentives, and provide a comprehensive vision for a development program (with feasibility) that the Town would want a developer to undertake. Once complete, this planning would help inform an RFQ/RFP for a developer to provide a development plan and enter into a development agreement. Pre-development planning could also help inform the elements below.
  - b. **Determine what development EIK wants to be responsible for.** While the development plan is explored, EIK may seek to develop all the land or only a portion of the land. For instance, EIK may only be interested in developing specific elements including the new access road and any aviation-supporting businesses. At this stage, a phased-approach for development should be outlined. .
  - c. **Identify and secure cost-bids for infrastructure.** While this could range over a period of time based on a phase-approach, cost assumptions for development should be known to help EIK understand what it will take to fund various elements of the project, including utility extension costs. This will allow EIK to save money and apply for various funding grants to develop a project.
  - d. **Issue an RFP** to secure developer(s) to partner with and construct the project. Multiple RFPs may be issued based on the phasing of development, and multiple developers used for any of the construction projects based on their qualifications and design proposals.
2. **Do not buy the land** and leave development potential to the market and private developer interest. EIK risks losing additional revenue and control of development happening adjacent to the airport.

## Evaluation of Strategy 2a

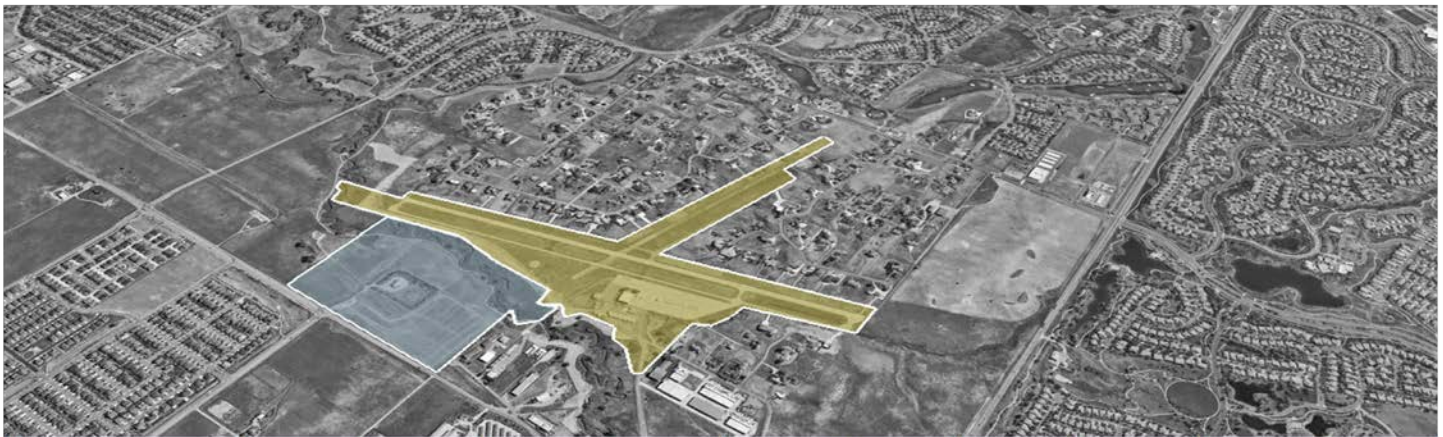
There are several benefits to acquiring land and expanding west. Notably, land would be available for expansion of EIK operations and services, should additional space be needed over time. Beyond the focus on airport operations, expansion provides development opportunity for aviation-specific uses that would benefit from proximity and direct access to the airport facilities. Other complementary businesses and uses are going to be a primary focus in this area including commercial, office, and light industrial space. This would have the benefit of concentrating employment around the airport, and would increase jobs and municipal revenue. While acquiring land comes with upfront costs, it also has potential to create considerable revenue in the form of property and sales taxes.

With a strategic focus and an eye toward long-term growth and sustainability, revenue generated from acquiring land and promoting development could be earmarked for the airport fund to help pay for infrastructure improvements, including the new roadway connection. Additionally, focusing business and tenant attraction on uses that directly benefit from proximity to the airport could create a dynamic of critical mass that has the potential to create exponential benefits in the form of job growth in target industry clusters, diversification of the Town’s economy, and an overall value add from investment in EIK.

This development will increase jobs, the taxable revenue, property tax, and sales tax potential of the area, all of which the Town would have greater influence over as the land owner facilitating development. Additionally, the success of these businesses may attract more development along County Line Road in this part of Town, catalyzing a diversity of development and employment opportunities.

With the increase of businesses, a new destination may also be created as shopping and dining locations expand, separate of the employment opportunities. Community members and visitors may visit the area for these short trips, increasing the potential for more people to visit the area with added “things to do” in Erie and the surrounding communities. Pairing this with increased events and programming at the airport may generate more spending as well, capturing those dollars for the Town and EIK.

### WESTWARD EXPANSION EVALUATION MATRIX



	1 <i>Least</i>	2	3	4	5 <i>Most</i>
Cost Effectiveness					
ROI					
Economic Development Potential					
Community Connectivity					
Timing					

## STRATEGY 2B: SOUTHERN EXPANSION

Scenario 2b is focused on the acquisition of land to the south of the main runway. These 20 acres of land have been identified off Baseline Road.

Like the conceptual plan for Scenario 2a, Scenario 2b’s concept (see Southern Expansion Conceptual Plan below) orients the airport uses closest to the runway and Erie Airpark, with office/flex and retail development closer to Baseline Road. The layout of taxiway access and building dimensions and locations would need to be determined at a later time with a development plan.

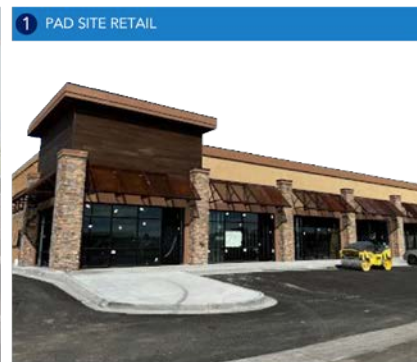
### Land Acquisition and Development Opportunities

The concepts explored in Strategy 1 are able to be incorporated with Strategy 2b. Development south of the airport will provide an opportunity to support additional airport-serving buildings and uses, as well as office/flex/light industrial and pad retail sites. The airport-serving uses in this area will present slightly larger challenges than those in the west, due to the lack of direct connection with the FBO or the runway. While taxiway development would need to be explored and planned for, the land closest to the runway, and Erie Airpark Neighborhood, would be most suitable for additional hangar development and storage options, as well as small maintenance and repair operations to accommodate possible future needs of EIK.

Baseline Road has been developing as a commercial corridor over the last decade. The Baseline Road and Bonanza Drive intersection is emerging as a commercial space that is likely to continue expanding east along Baseline Road. Although businesses have yet to be targeted, boutique and specialty shops and fast casual dining experiences could support not only residential and nearby visitor needs, but capture spending from commuters along Baseline that may not live in this area. Fast food and convenience shops may not be the most desirable in this area as other locations are already meeting these needs (i.e., the gas station at the corner of Baseline Road and Bonanza Drive) allowing for more commercial diversity.

Office and other flex spaces, including makerspaces and coworking spaces, could leverage this location for its accessibility from Baseline Road. As defined in Strategy 2a, office space could be used to support expanding businesses in the Denver and Boulder regions. Since Baseline Road is one of Erie’s major connectors, commuters will have easy access to the site.

### SOUTHERN EXPANSION CONCEPTUAL PLAN





## Considerations

For EIK to acquire the land, a similar process to what was outlined under Strategy 2a will need to be explored. However, the land is owned by different people meaning multiple conversations and agreements will be needed.

There are advantages to acquiring the land to the south:

- Increases EIK's revenue generating potential. If EIK owns the land, it has greater control of uses and development over time. This can help maximize development potential and revenue generation to the Town.
  - The development of additional businesses helps to meet market needs and address goals in the 2024 Elevate Erie Comprehensive Plan for increasing employment opportunities.
- Despite the advantages, there are challenges and disadvantages to focusing solely on southern land acquisition:
- Developing south will not create a better connection between EIK and the Town. The incentive for developing the access road from County Line Road will not benefit this area. Additional access roads and taxiways will need to be developed to increase the access from the FBO to the other airport-supporting uses.
  - Given the current footprint of the land parcels, and the subdivision process that would need to be explored, this will add time and money to the overall costs of acquiring all 20 acres. Multiple agreements need to be approved for EIK to assume ownership of the land.
  - There will be a substantial need for infrastructure investment including access road to the property from Baseline Road, any connections to the airport property via service roads and taxiways, and water and sewer hookups to support increased development.
  - The development to the south is a longer-term development prospect for EIK operations to expand.

## Evaluation of Strategy 2b

When evaluating the expansion to the south, there is greater uncertainty about its short-term and long-term return on investment. While this is recommended to be a long-term effort, there is no direct connection to EIK itself and would require a substantial amount of investment to connect any airport-related uses to the FBO and runway. Although owning the land would bring in revenue for the airport, it may not be a cost-effective strategy to explore (in the short-term) given the need for infrastructure development and utility extensions.

Alternatively, while the front-end costs for connecting the land to EIK’s main base of operation will be expensive, the return on investment will help close that initial gap, though it may take years to recover the initial expense. With the extension of utilities to support development, private developers may be more willing to explore other projects nearby.

Development along Baseline Road will inevitably continue, and despite it being a main connector for Erie, it sits on the

southern edge of the Town boundary. This does not lend itself to strengthening a community connection, and given challenges EIK will face to connect to the site itself, providing limited opportunity to support events and programming opportunities outlined in Strategy 1.

This is projected to be a long-term effort. Due to this, it is recommended that EIK focus on more immediate needs and short-term goals to generate momentum. This strategy is likely to be the most successful following the successful acquisition and development of land west of the airport site as outlined in Strategy 2a. Additionally, the current property owners are more likely to explore what the potential for private development could be based on market trends. They could be developing, or the land could already be completely developed, before EIK and the AEDAB are ready to explore additional land acquisition due to existing development pressures.

Assuming development does not occur, however, this land could be explored and acquired based on EIK’s needs.

### SOUTHERN EXPANSION EVALUATION MATRIX



	1 <i>Least</i>	2	3	4	5 <i>Most</i>
Cost Effectiveness					
ROI					
Economic Development Potential					
Community Connectivity					
Timing					

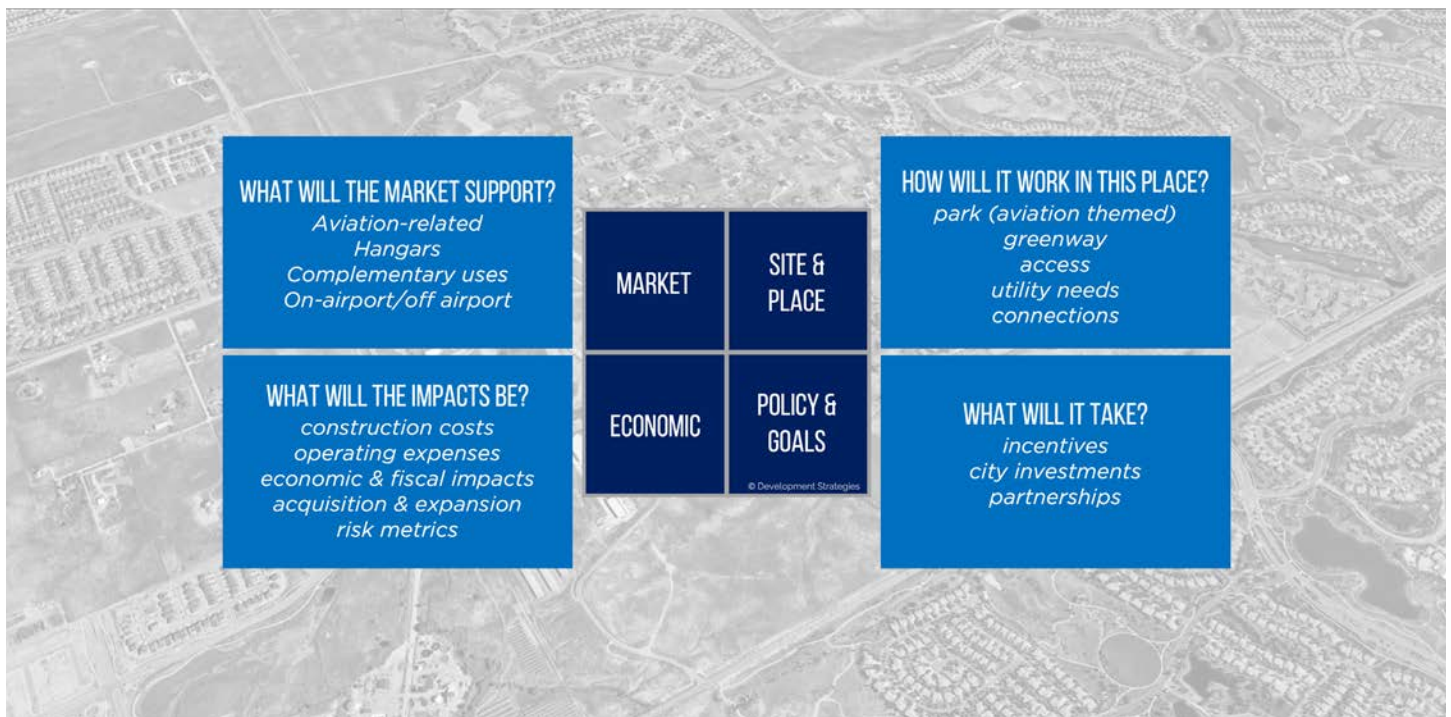
## DEVELOPMENT FEASIBILITY OVERVIEW

Erie’s market analysis indicates that there is a very strong demand for all land uses in Erie (see the Site and Marketability section of the report). While this is great news for the town, it is important to be strategic about the land uses on airport property and the surrounding area. Not all land uses are compatible with airport operations and as such, development opportunities need to be explored.

This report aims to align with the 2024 Elevate Erie Comprehensive Plan goals, recommendations, and Future Land Use Plan. It also provides a series of recommendations that EIK and the AEDAB can explore to strengthen the airport’s presence and economic development potential to the Town.

To develop a strategy for EIK, we evaluate four topic areas (outlined in the graphic below) relating to development and ask questions that guide the recommendations.

- What will the **market support?** What makes sense to develop in the Study Area versus other areas of the Town? What development compliments airport operations?
- How will development **work in this place?** What is needed for development to be successful?
- What will the **economic impacts be?** Could development spur additional development? Will there be an increase of jobs? How will development impact the tax base? What is the risk?
- What **policies and tools will it take to realize the implementation of a strategy** or project? What incentives and funding options will help make development possible? Who can EIK partner with?





# FISCAL IMPACT ASSESSMENT

## INTRODUCTION

An important component to planning for development on and off airport property is to understand the potential fiscal impacts of the different strategic approaches to development. This informs decision making and the ability for the AEDAB and Town to take actions that are financially sustainable. It also illustrates potential increases in tax revenue that could be leveraged by economic development tools, such as TIF, to underwrite the cost of needed infrastructure to support development. All of the potential revenues discussed in this section are in 2024 dollars.

## DEVELOPMENT SCENARIOS

### Baseline: Entire Study Area

The existing development in the Study Area generates approximately \$5,840,000 in total property tax revenue per year, including nearly \$758,000 to the Town.

The EIK's property itself produces very little tax revenue because the existing improvements are owned by the town. Land leases from the 20 hangars on site generate about \$620 annually in property taxes.

### Scenario 1

Scenario 1 assumes full buildout of the 166 hangars identified in the 2022 Airport Hangar Study. It also assumes that the hangar improvements would be privately-owned, and, therefore, taxable.

This scenario would produce more than \$1,000,000 in total property taxes each year, including \$145,000 to the Town at full buildout. There are a couple of important caveats:

- Additional revenue would be generated if a new terminal/FBO building were privately owned.
- Any additional privately-owned improvements on airport property, such as a restaurant, would generate property tax revenue.
- Having more based aircraft in the new hangars will increase fuel sales, which will increase revenue to the Town.

BASELINE PROPERTY TAX REVENUE			
Study Area (2023)			
	Total Acres	Tax Dollars Generated to Weld Co.	Tax Dollars Generated to Erie
Agricultural	292	\$16,515	\$2,144
Residential	403	\$3,946,349	\$512,236
Commercial	2,018	\$1,725,680	\$223,993
Industrial	2	\$37,389	\$4,853
Vacant Land	117	\$113,752	\$14,765
Exempt*	219	\$445,643	\$57,844
<b>Total</b>	<b>2,833</b>	<b>\$5,839,686</b>	<b>\$757,991</b>

Source: Weld County Property Portal

\*Not included in the total

DEVELOPMENT SUMMARY TABLE				
Scenario 1				
Hangar Development Options	Total Hangar Capacity	Total Cost	Total Market Value*	Potential Annual Property Tax Revenue*
<b>Option 1</b> Development Near Existing FBO Terminal	39	\$7.5M - \$9.5M	\$9M - \$11M	\$250k - \$300k ~40k to Erie
<b>Option 2</b> Development North of Existing Terminal	44	\$6.5M - \$8.5M	\$8M - \$10M	\$225k - \$275k -35k to Erie
<b>Option 3</b> Development of Decommissioned Runway	83	\$13M - \$15M	\$17M - \$19M	\$450k - \$500k -70k to Erie
<b>TOTAL</b>	<b>166</b>	<b>\$27M - \$33M</b>	<b>\$34M - \$40M</b>	<b>\$925k - \$1M</b> <b>-\$145k to Erie</b>

Sources: Erie Municipal Airport Hangar Study Phase 2 Report, November 2022, BA Group Consulting, Development Strategies 2024

\*Totals assume the sales of all hangars

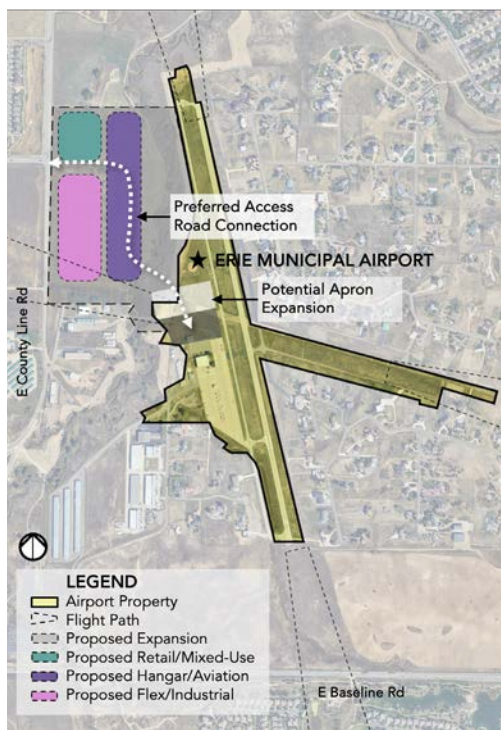
### Scenario 2a

Scenario 2a assumes that the Town would acquire the site located to the west of EIK, as shown in the map below. Current development trends and densities were used to create an average Floor Area Ratio (FAR) of ideal development types (hangars and aviation-focused users, retail and mixed-use, and flex and industrial uses). The development program in the development summary tables uses these averages to show the potential build out of the site's 31 acres.

This development would generate up to \$2 million in annual property tax revenue, including upwards of \$245,000 to the Town. Additional revenue would be generated by retail sales, commercial license and access fees for using the airport, and potential increases in aviation fuel sales.

Assuming average retail sales of \$400 per square foot, the current retail sales tax rate of 7.4 percent, and retail making up 35,000 square feet of the retail/mixed-use development, potential retail sales tax revenue would total \$1,036,000 each year, in 2024 dollars.

#### WESTWARD EXPANSION SCENARIO 2A



DEVELOPMENT SUMMARY TABLE				
Potential Development Program	Site Acreage	Development SF	Development Value	Potential Annual Property Tax Revenue
Hangar/Aviation	14	160,000	\$15.5M - \$17.5M	\$475k - \$525k -65k to Erie
Retail/Mixed-Use	5	65,000	\$17M - \$19M	\$500k - \$550k -70k to Erie
Flex/Industrial	12	125,000	\$26.5M - \$28.5M	\$800k - \$850k -110k to Erie
<b>TOTAL</b>	<b>31</b>	<b>350,000</b>	<b>\$59M - \$65M</b>	<b>\$1.8M - \$2M</b> <b>-\$245k to Erie</b>

Source: Development Strategies 2024

### Scenario 2b

Scenario 2b explores what the potential impacts of acquiring a site to the south could be. The overall development mix would be different, as would the fiscal impacts, than for the western site. Using the same methodology for Scenario 2a, and additional 19.8 acres of development to the south could generate an estimated \$1.2 to \$1.4 million in total property tax revenue, including \$165,600 in taxes to the Town of Erie on an annual basis.

Likewise, this would capture additional income for EIK as the airport would own the land. Assuming average retail sales of \$400 per square foot, the current retail sales tax rate of 7.4 percent, and retail making up 60,000 square feet of the retail/mixed-use development, potential retail sales tax revenue would total \$1,776,000 each year, in 2024 dollars.

#### SOUTHERN EXPANSION SCENARIO 2B



DEVELOPMENT SUMMARY TABLE				
Potential Development Program	Site Acreage	Development SF	Development Value	Potential Annual Property Tax Revenue
Hangar/Aviation	9	100,000	\$9M - \$11M	\$275k - \$325k -40k to Erie
Office/Flex/Light Industrial	6	75,000	\$15.5M - \$17.5M	\$475k - \$525k -65k to Erie
Pad Site Development	5	60,000	\$15M - \$17M	\$475k - \$525k -65k to Erie
<b>TOTAL</b>	<b>20</b>	<b>235,000</b>	<b>\$59M - \$65M</b>	<b>\$1.2M - \$1.4M</b> <b>-\$170k to Erie</b>

Source: Development Strategies 2024

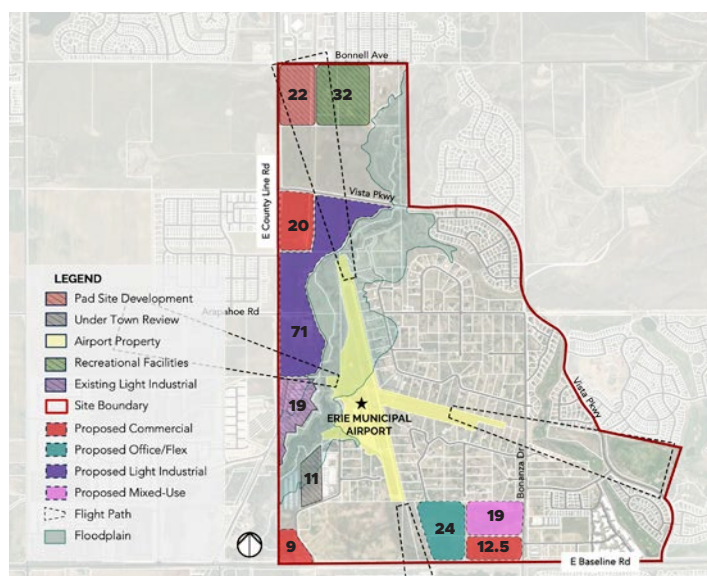


## 20-Year Development in the Study Area

This study also considers potential development in the broader study area, the majority of which would not necessarily depend on the airport.

The 20-year development scenarios account for a range of development potential. Two scenarios were created: one to reflect more gradual development based on historic trends, and another that assumes Erie and the study area will capture a greater share of regional growth. An average FAR was applied to determine what acreage would be needed to support the total development potential.

### STUDY AREA 20 YEAR BUILDOUT



DEVELOPMENT SUMMARY TABLE				
Status Quo				
Potential Development Program	Site Acreage	Development SF	Development Value	Potential Annual Property Tax Revenue
Light Industrial	29	320,000	\$53M - \$57M	\$1.5M - \$1.7M -215k to Erie
Commercial	27	350,000	\$95M - \$100M	\$2.5M - \$3M -375k to Erie
Mixed-Use	1	15,000	\$2.5M - \$5M	\$75k - \$125k -15k to Erie
Office/Flex	1	15,000	\$2.5M - \$5M	\$75k - \$125k -15k to Erie
<b>TOTAL</b>	<b>58</b>	<b>700,000</b>	<b>\$153M - \$167M</b>	<b>\$4.2M - \$5M</b> <b>-\$620k to Erie</b>

Source: Development Strategies 2024

\*This assumed development program is not area specific and land uses can change from what is depicted in the 20-year Buildout graphic.

The potential development mixes and resulting fiscal impacts are summarized in the tables below.

The “status quo” scenario estimates that 58 acres of land in the study area would be developed in the next 20 years, totaling 700,000 square feet of development that would generate up to \$5 million in property tax revenue each year, including upwards of \$620,000 to Erie. An additional \$10 million in sales taxes could be generated each year at full build out.

This “aggressive” approach assumes that 165 acres of land in the study area could be developed in the next 20 years with growing development pressures. This would include nearly 2 million square feet of development that would generate more than \$12.1 million in property tax revenue each year at full buildout, approximately \$1.5 million of which would go to Erie. An additional \$12 million in sales taxes could be generated each year at full build out.

### Future Land Use Plan: Full Buildout of the Study

DEVELOPMENT SUMMARY TABLE				
Aggressive				
Potential Development Program	Site Acreage	Development SF	Development Value	Potential Annual Property Tax Revenue
Light Industrial	120	1,300,000	\$225M - \$230M	\$6.5M - \$7M -890k to Erie
Commercial	30	400,000	\$105M - \$110M	\$3M - \$3.5M -420k to Erie
Mixed-Use	1	15,000	\$2.5M - \$5M	\$75k - \$125k -15k to Erie
Office/Flex	14	185,000	\$43M - \$47M	\$1M - \$1.5M -170k to Erie
<b>TOTAL</b>	<b>165</b>	<b>1,900,000</b>	<b>\$375.5M - \$392M</b>	<b>\$10.6M - \$12.1M</b> <b>-\$1.5M to Erie</b>

Source: Development Strategies 2024

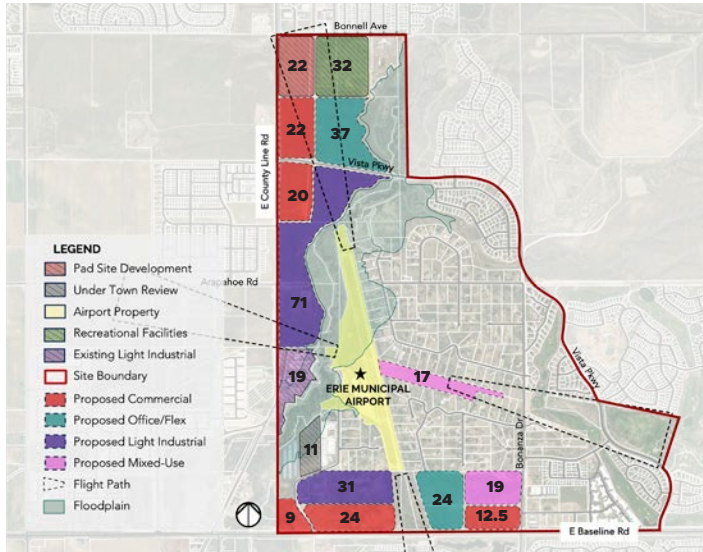
\*This assumed development program is not area specific and land uses can change from what is depicted in the 20-year Buildout graphic.

## Area

This study focused on development potential for the next 20-years in the study area; however, there is additional long-term potential, as identified in the Town’s recently-adopted Future Land Use Plan. The following table summarizes the potential tax revenue that would be generated by maximum utilization of land in the study area, including over \$3.1 million in property tax revenue annually for the Town of Erie.

An additional \$32.5 million in sales taxes could be generated each year if all of the commercial space is retail.

### STUDY AREA LAND MAXIMIZATION



DEVELOPMENT SUMMARY TABLE				
Potential Development Program	Site Acreage	Development SF	Development Value	Potential Annual Property Tax Revenue
<b>Light Industrial</b>	120	1,300,000	\$225M - \$230M	\$6.5M - \$7M -885k to Erie
<b>Commercial</b>	86	1,100,000	\$307M - \$312M	\$9M - \$9.5M -1.2M to Erie
<b>Mixed-Use</b>	19	250,000	\$66M - \$71M	\$1.8M - \$2.3M -265k to Erie
<b>Office/Flex</b>	61	790,000	\$195M - \$200M	\$5.8M - \$6.3M -765k to Erie
<b>TOTAL</b>	<b>286</b>	<b>3,440,000</b>	<b>\$793M - \$813M</b>	<b>\$23.1M - \$25.1M</b> <b>-\$3.1M to Erie</b>

Source: Development Strategies 2024

\*This assumed development program is not area specific and land uses can change from what is depicted in the buildout graphic.

## FISCAL IMPACT SUMMARY

The following graphic summarizes the potential net new property and sales taxes that would be generated by the projected development in each of the development scenarios. It is important to note that Scenarios 1, 2a, and 2b could all occur and that Scenarios 2a and 2b assume that the existing airport footprint is maximized.

Each scenario would produce revenues that could be leveraged to support bond issues through economic development tools that would serve to underwrite needed infrastructure and access improvements.

