



Memo

TO: Loveland City Manager Bill Cahill
Fort Collins City Manager Darin Atteberry

FROM: Ken Cooper, Loveland Facilities Operations Manager

DATE: February 6, 2015

RE: Regional Training Campus – Reduced Capital Plan Option

CC: Loveland Police Chief Luke Hecker
Fort Collins Police Chief John Hutto

The Regional Training Campus (RTC) project includes a number of critical components required to effectively meet the current and long-term Police training needs for Fort Collins and Loveland:

- Pistol training up to a 50-yard distance
- Rifle training up to a 100-yard distance
- SWAT / Simunitions shoot house
- Classroom space to support weapons training
- Driving track for high-speed vehicle training
- Skid pad & other vehicle training features
- Storage needs for the campus

Considering these critical elements of the proposed campus, the RTC project team has carefully reviewed options to reduce the overall capital investment, while keeping intact the basic project needs. The following project elements can be removed or reduced:

- Reduce the pistol range from 25 lanes to 20 lanes
- Remove the proposed street grid – build at a later date
- Reduce the vehicle maintenance building to a basic storage building

These changes maintain the integrity of the project, but reduce by nearly 13 percent the estimated total project cost to the cities. The shared capital investment is reduced by about \$3M, from \$23.5M down to \$20.5M. At the upcoming joint study session with the two City Councils on February 12,



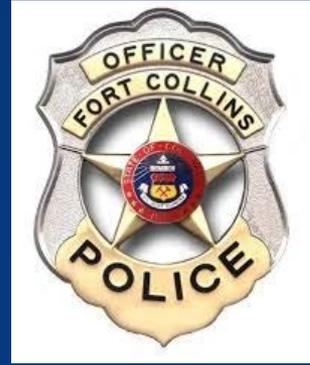
2015, the project team will cover in more detail the impact on maintenance and operations from this reduced project plan.

The attached PowerPoint presentation for the February 12 joint study session has been updated. It includes additional slides with financial summary information about the reduced RTC plan. To ensure clarity at the joint study session, this new presentation should replace the one distributed to City Councils on February 4.

Thank you.

LIST OF ATTACHMENTS:

1. Updated PowerPoint presentation for joint study session on February 12, 2015



Regional Training Campus Joint Study Session Fort Collins & Loveland City Councils

**February 12, 2015
Fort Collins – Loveland Airport**

Purpose of Presentation

- Express the need
- Compare alternatives
- Answer previous questions
- Establish clear path forward



Risk, Consequence, Liability

Shooting, High Speed Driving

Traffic Stops, Daily Vehicle Operations

High Risk
Low Frequency

High Risk
High Frequency

Low Risk
Low Frequency

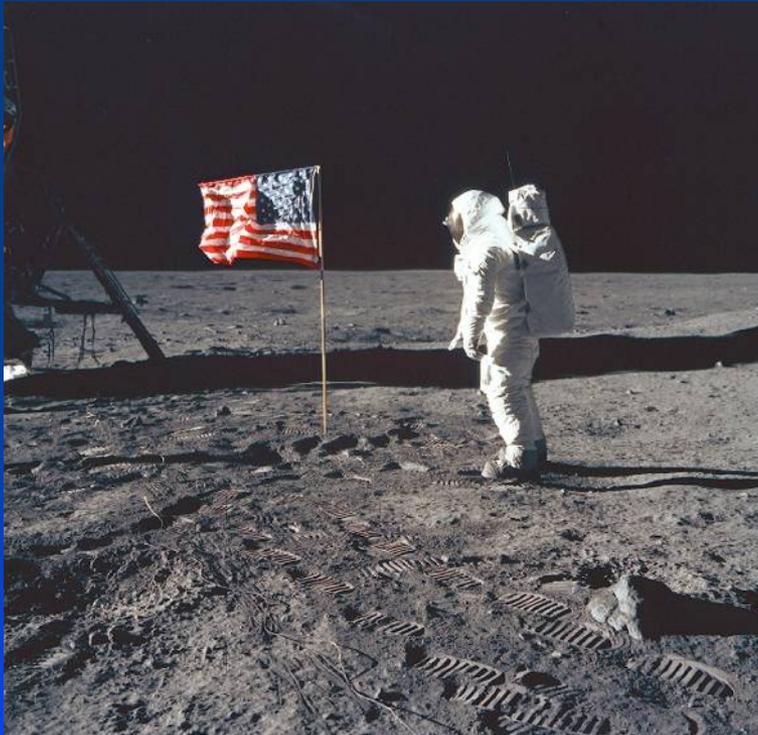
Low Risk
High Frequency

Intermittent, Admin Tasks

Non-EM Police Calls, Report Writing

Project History & Needs

- Loveland Firearms Training
 - Late '60's – bulldozer + open ground = gun range
 - No capital investment since
 - Noise concerns grow with increased use, spike after reservoir
 - Treatment Plant expansion, site increasingly incompatible



"All the News That's Fit to Print"

The New York Times

LATE CITY EDITION
Weather: Rain, warm today; clear tonight. Sunny, pleasant tomorrow. Temp. range: today 60-65; Sunday 71-84. Temp.-Hum. Index yesterday 69. Complete U.S. report on P. 25.

VOL. CXVIII, No. 40,721 NEW YORK, MONDAY, JULY 21, 1969 10 CENTS

MEN WALK ON MOON

ASTRONAUTS LAND ON PLAIN; COLLECT ROCKS, PLANT FLAG

Voice From Moon: 'Eagle Has Landed'

EAGLE (the lunar module): Houston, Tranquility Base here. The Eagle has landed.
HOUSTON: Roger, Tranquility, we copy you on the ground. You've got a bunch of guys about to turn blue. We're breathing again. Thanks a lot.
TRANQUILITY BASE: Thank you.
HOUSTON: You're looking good here.
TRANQUILITY BASE: A very smooth touchdown.
HOUSTON: Eagle, you are set for T1. [The first step in the lunar operation.] Over.
TRANQUILITY BASE: Roger, stay for T1.
HOUSTON: Roger and we see you venting the air.
TRANQUILITY BASE: Roger.
COLUMBIA (the command and service module): How do you read me?
HOUSTON: Columbia, he has landed Tranquility Base. Eagle is at Tranquility. I read you five by five. Over.
COLUMBIA: Yes, I heard the whole thing.
HOUSTON: Well, it's a good show.
COLUMBIA: Fantastic.
TRANQUILITY BASE: T1 second that.
ANNOUNCER: The most major stay-on stay will be for the T2 event. That is at 21 minutes 29 seconds after the start of the broadcast.

A Powdery Surface Is Closely Explored

By JOHN NOBLE WILFORD
Houston, Monday, July 21—Men have landed and walked on the moon.
Two Americans, astronauts of Apollo 11, steered their fragile four-legged lunar module safely and smoothly to the historic landing yesterday at 4:17:40 P.M., Eastern daylight time.
Neil A. Armstrong, the 38-year-old civilian commander, radioed to earth and the mission control room here: "Houston, Tranquility Base here. The Eagle has landed."
"The first men to reach the moon—Mr. Armstrong and his co-pilot, Col. Edwin E. Aldrin Jr. of the Air Force—brought their ship to rest on a level, rock-strewn plain near the southwestern shore of the Arid Sea of Tranquility.
About six and a half hours later, Mr. Armstrong opened the landing craft's hatch, stepped slowly down the ladder and declared as he planted the first human footprint on the lunar crust:
"That's one small step for man, one giant leap for mankind."
His first step on the moon came at 10:56:20 P.M., as a television camera outside the craft transmitted his every move to an awed and excited audience of hundreds of millions of people on earth.
Tentative Steps Test Soil

As the lunar module of the Apollo 11 craft after taking the first step on the surface of the moon

Loveland Firearms Training - WTP



Loveland Firearms Training - WTP



Project History & Needs

▪ Fort Collins Firearms Training

- Current indoor range built 1984, purchased 1990
- Half as many staff in 1990 – too small now
- Unsafe, needs considerable & costly repair
- Cannot train all systems
- Rifle training 80 mile roundtrip – subject to owner demands



Fort Collins Firearms Training Range



Fort Collins Firearms Training Range



Fort Collins Rifle – Pawnee Grasslands



Project History & Needs

- **Loveland Firearms Training**
 - 2007 – Capital project to improve existing range
 - Canopy structure to mitigate noise
 - \$3M project to Loveland Council in early 2008
 - Neighbors of range are clear – “Move it, don’t improve it”



Project History & Needs

- **Loveland Firearms Training**
 - 2008 - Developers reach out
 - Preliminary drawings, regional thoughts include CBI Lab
 - By 2010, no investment community interest
 - FRGC provides short-term, pistol training supplement



Project History & Needs

- **Fort Collins Driving Training**
 - No resource in Northern Colorado
 - Closest is Adams County – 120 mile roundtrip
 - Restricted scheduling across many agencies
 - Unable to EVOC train in 2014, slow speed at TransFort



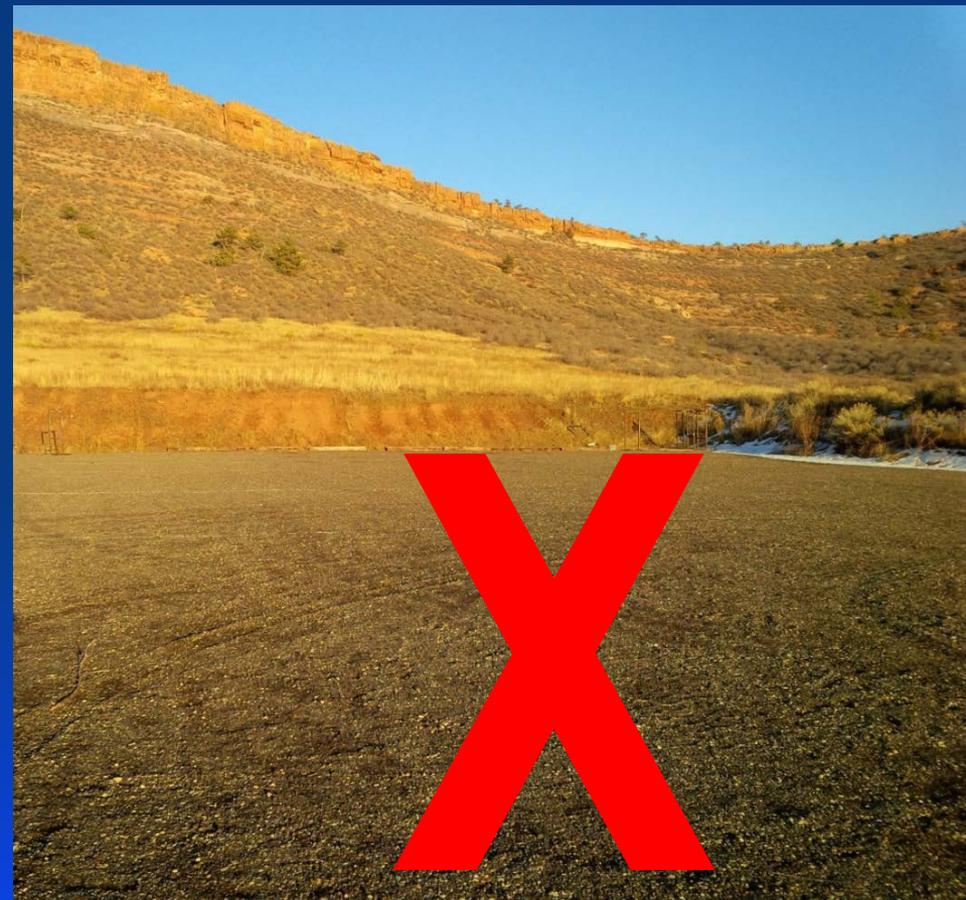
Project History & Needs

- Loveland Driving Training
 - Cones in parking lot – Fire Training Grounds
 - Minimal systems, site is unsustainable



Project History & Needs

- Fort Collins & Loveland continue to grow up – but ability to best train Police does not



Loveland City Council Directive

- January 2013 - Council makes Police training facility top priority at Workshop
 - \$18.2M in Loveland capital plan - fill Loveland needs
 - Gun range as part of campus, include driving & other training
 - Other agency use, but Loveland to own & operate



Fort Collins & Loveland Team Up

- **Summer 2013**
 - Early design, site selection process
 - Loveland asks Fort Collins in – FC commits resources as equal partner in July
 - Larger project, longer-term solution for Cities
- **Project grows from \$18.2M to \$24M, but Loveland's capital reduced by over \$6M**



Loveland & Fort Collins – Priority

- **One-stop shop – firearms & vehicles**
 - Pistol & rifle, tactical throughout
 - SWAT / Simunitions shoot house
 - EVOC driving, street grid, dynamic movement to shoot house
 - Classrooms, support – future Academy
 - Phased approach, grow on 43-acre Airport campus site
- **Constructed, owned, & managed by Loveland & Fort Collins**



Excess Campus Capacity?

- **Yes - here's why**
 - Size driven by best methods to train, optimal class sizes
 - Cities' needs today fill less than half total campus capacity
 - 8 percent of training in RTC is “best practice” – not performed today due to lack of facilities
- **If no other agencies ever use it, campus size doesn't change**



Best Excess Capacity Use?

- Encourage other agency use
 - Ideal regional site
 - Shared benefit when other Police improve training
 - Letters of intent – eleven agencies, 1,100 officers
 - Rental fee revenue – help cover O & M
 - Staff growth in Cities to eventually squeeze users, will take decades



Other Capacity Issues?

- Sufficient training capacity – exception is classrooms
- However...
 - Training segments are M-F, 8am-10pm
 - Capacity significantly higher
 - Some classroom training at HQ (small dent in classes sold)
 - Some training at HQ's transition to RTC, small added soft costs for travel



Revenue Projection

- **Project due diligence**
 - Demand exists – Adams Co turning agencies away
 - Letters of intent
 - 75% rental income from Track – no similar resource in NoCo
 - Projections assume rental of 25% of unused capacity
 - Market / Demand pricing – \$150 added per segment = \$150K annually



Expenses

- O & M – \$710K in year two
- Variable costs: campus manager & admin support
- Capital renewal costs included in O & M
- Land lease costs already within both Cities' budgets
 - \$350K annually with escalation
 - Shared by two Cities – keeping with current in post-Allegiant
 - 19 cents per sq ft meets FAA mandate for developable land



Capital Required

Anticipated Capital Spend Timing (\$ millions)				
	2015	2016	2017	Total
Loveland	\$ 1.0	\$ 4.0	\$ 7.0	\$ 12.0
Fort Collins	1.0	4.1	7.0	12.1
Total	\$ 2.0	\$ 8.1	\$ 14.0	\$ 24.1

- **Source of Cash:**
 - Loveland - \$6M CEF, \$1.7M GF, \$4.3M Tabor Reserve
 - Fort Collins - \$1M GF, \$11.1M COP Debt

Training Campus Summary Financials

Training Facility Operating Costs (\$ 000's)						
	Year 1	Year 2	Year 3	Year 4	Year 5	
Revenue						
Class Charge to Outside User	\$ 73	\$ 110	\$ 114	\$ 117	\$ 121	
Facility Rental	85	287	295	304	313	
Total Revenue	\$ 158	\$ 397	\$ 409	\$ 421	\$ 434	
Expenses						
Personnel	115	302	312	322	332	
Operations, Supplies, Maint	47	303	303	318	319	
Capital Reserve	18	105	106	107	108	
Total Expense	\$ 180	\$ 710	\$ 721	\$ 748	\$ 760	
Training Facility Income/(Loss)	\$ (22)	\$ (314)	\$ (312)	\$ (327)	\$ (326)	
Market/Demand Revenue Opportunity		148	153	157	162	
Facility Income/(Loss) with Opportunity	\$ (22)	\$ (166)	\$ (159)	\$ (170)	\$ (164)	
Budget Savings Loveland	59	61	63	64	66	
Budget Savings Fort Collins	77	79	82	84	87	
Net Facility Income/(Loss)	\$ 114	\$ (25)	\$ (15)	\$ (21)	\$ (11)	

- Year 1 is Track only, Range & Classrooms online Year 2
- Market/Demand Opportunity assumes additional \$150 rental income
- Budget Savings within each dept assumed to be transferred to facility

Budget Impact

Training Facility Budget Impact (\$ 000's)						
	Year 1	Year 2	Year 3	Year 4	Year 5	
Loveland Travel & Fee Savings	\$ 59	\$ 61	\$ 63	\$ 64	\$ 66	
Fort Collins Travel & Fee Savings	77	79	82	84	87	
Loveland Financing Cost	\$ -					
Fort Collins Financing Cost - @ 4% 20 yrs	(809)	(809)	(809)	(809)	(809)	
Shortfall w/o Opportunity	\$ (22)	\$ (314)	\$ (312)	\$ (327)	\$ (326)	
Shortfall with Opportunity	(22)	(166)	(159)	(170)	(164)	
Budget Impact - Loveland w/o Opportunity	\$ 52	\$ (43)	\$ (41)	\$ (43)	\$ (41)	
Budget Impact - Fort Collins w/o Opportunity	(747)	(940)	(937)	(944)	(941)	
Budget Impact - Loveland with Opportunity	\$ 52	\$ 6	\$ 10	\$ 9	\$ 12	
Budget Impact - Fort Collins with Opportunity	(747)	(841)	(835)	(839)	(833)	

- **Budget savings do not include productivity from reduced driving - \$125K**
- **Opportunity - additional \$150 per segment of rental**
- **Fort Collins budget impact driven by financing cost on \$11.1M**

Alternatives

Alternative Comparison (\$ millions)		20 Year Additional Operating	NPV of Total Cashflow
	Initial Capital		
Regional Training w/o Rev Opportunity	\$ 24.1	\$ 3.9	\$ 26.3
Liberty Arms & Build Track	8.5	34.1	25.5
Adams County for All	-	28.3	16.8

- Terminal Value of RTC at year 20 not included in NPV, but significant
- Combined analysis for both Loveland & Fort Collins
- Adams County alternatives:
 - Not practical given inability to schedule time in late 2014 & all of 2015
 - Does not include lost productivity associated with travel time

Alternative – Adams County

- 120 mile roundtrip – obvious inefficiencies
- No control over scheduling, limited capacity
- Theoretical only – cannot effectively schedule



Alternative – Liberty Arms

- Proposal to two Cities – Nov 2014, updated Jan 2015
- \$1.1M annually – five year window, then undefined
- Not competitive with RTC's O & M, which includes driving, etc.
- No long-term control, solution for Cities unsustainable



Alternative – RTC with Reduced Capital

- 20 lane pistol range (from 25)
- Build street grid at later date
- Vehicle maintenance reduced to storage building
- Critical training props remain



Capital Required – Reduced RTC

Anticipated Capital Spend Timing (\$ millions) - Reduced Capital				
	2015	2016	2017	Total
Loveland	\$ 1.0	\$ 2.5	\$ 6.7	\$ 10.2
Fort Collins	1.0	2.6	6.6	10.2
Total	\$ 2.0	\$ 5.1	\$ 13.3	\$ 20.4

- **Source of Cash:**
 - Loveland - \$6M CEF, \$1.7M GF, \$2.5M Tabor Reserve
 - Fort Collins - \$1M GF, \$9.2M COP Debt

Summary Financials – Reduced RTC

Training Facility Operating Costs (\$ 000's) - Reduced Capital					
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue					
Class Charge to Outside User	\$ 73	\$ 110	\$ 114	\$ 117	\$ 121
Facility Rental	85	240	247	255	262
Total Revenue	\$ 158	\$ 350	\$ 361	\$ 372	\$ 383
Expenses					
Personnel	115	301	310	320	320
Operations, Supplies, Maint	47	283	283	297	297
Capital Reserve	18	102	103	104	105
Total Expense	\$ 180	\$ 686	\$ 696	\$ 722	\$ 723
Training Facility Income/(Loss)	\$ (22)	\$ (335)	\$ (335)	\$ (350)	\$ (340)
Market/Demand Revenue Opportunity		148	153	157	162
Facility Income/(Loss) with Opportunity	\$ (22)	\$ (187)	\$ (182)	\$ (193)	\$ (178)
Budget Savings Loveland	59	61	63	64	66
Budget Savings Fort Collins	77	79	82	84	87
Net Facility Income/(Loss)	\$ 114	\$ (47)	\$ (38)	\$ (44)	\$ (25)

- Year 1 is Track only, Range & Class rooms online Year 2
- Market/Demand Opportunity assumes additional \$150 rental income
- Budget Savings within each dept assumed to be transferred to facility

Budget Impact – Reduced RTC

Training Facility Budget Impact (\$ 000's) - Reduced Capital					
	Year 1	Year 2	Year 3	Year 4	Year 5
Loveland Travel & Fee Savings	\$ 59	\$ 61	\$ 63	\$ 64	\$ 66
Fort Collins Travel & Fee Savings	77	79	82	84	87
Loveland Financing Cost	\$ -				
Fort Collins Financing Cost - @ 4% 20 yrs	(677)	(677)	(677)	(677)	(677)
Income/(Loss) w/o Opportunity	\$ (23)	\$ (335)	\$ (335)	\$ (350)	\$ (340)
Income/(Loss) with Opportunity	(23)	(187)	(182)	(193)	(178)
Budget Impact - Loveland w/o Opportunity	\$ 51	\$ (50)	\$ (48)	\$ (51)	\$ (46)
Budget Impact - Fort Collins w/o Opportunity	(615)	(822)	(820)	(827)	(818)
Budget Impact - Loveland with Opportunity	\$ 51	\$ (1)	\$ 3	\$ 1	\$ 8
Budget Impact - Fort Collins with Opportunity	(615)	(723)	(717)	(722)	(710)

- Budget savings do not include productivity from reduced driving - \$125K
- Opportunity - additional \$150 per segment of rental
- Fort Collins budget impact driven by financing cost on \$9.2M

Alternatives – Reduced RTC

Alternative Comparison (\$ millions) - Reduced Capital			
	Initial Capital	20 Year Additional Operating	NPV of Total Cashflow
Regional Training w/o Rev Opportunity	\$ 20.4	\$ 4.2	\$ 22.9
Liberty Arms & Build Track	5.5	33.8	22.4
Adams County for All	-	28.3	16.8

- Terminal Value of RTC at year 20 not included in NPV, but significant
- Combined analysis for both Loveland & Fort Collins
- Adams County alternatives:
 - Not practical given inability to schedule time in late 2014 & all of 2015
 - Does not include lost productivity associated with travel time

Why Now?

- Requirements only increase & waiting is expensive
- Ideal site, stakeholders supportive
- Partnership saves each City millions
- DOLA cycles – up to \$4M
- User agencies in position
- Infrastructure to Airport, development



Governance

- **Jointly owned & operated**
- **Steering Committee for communication**
- **Day to day operations support from Loveland**
- **Possible building authority – LLBA model**



Questions to Address

- 50-50 capital partnership between Cities
- Weld County as potential capital partner
- Simulation to replace live training for firearms & driving



Desired Project Schedule

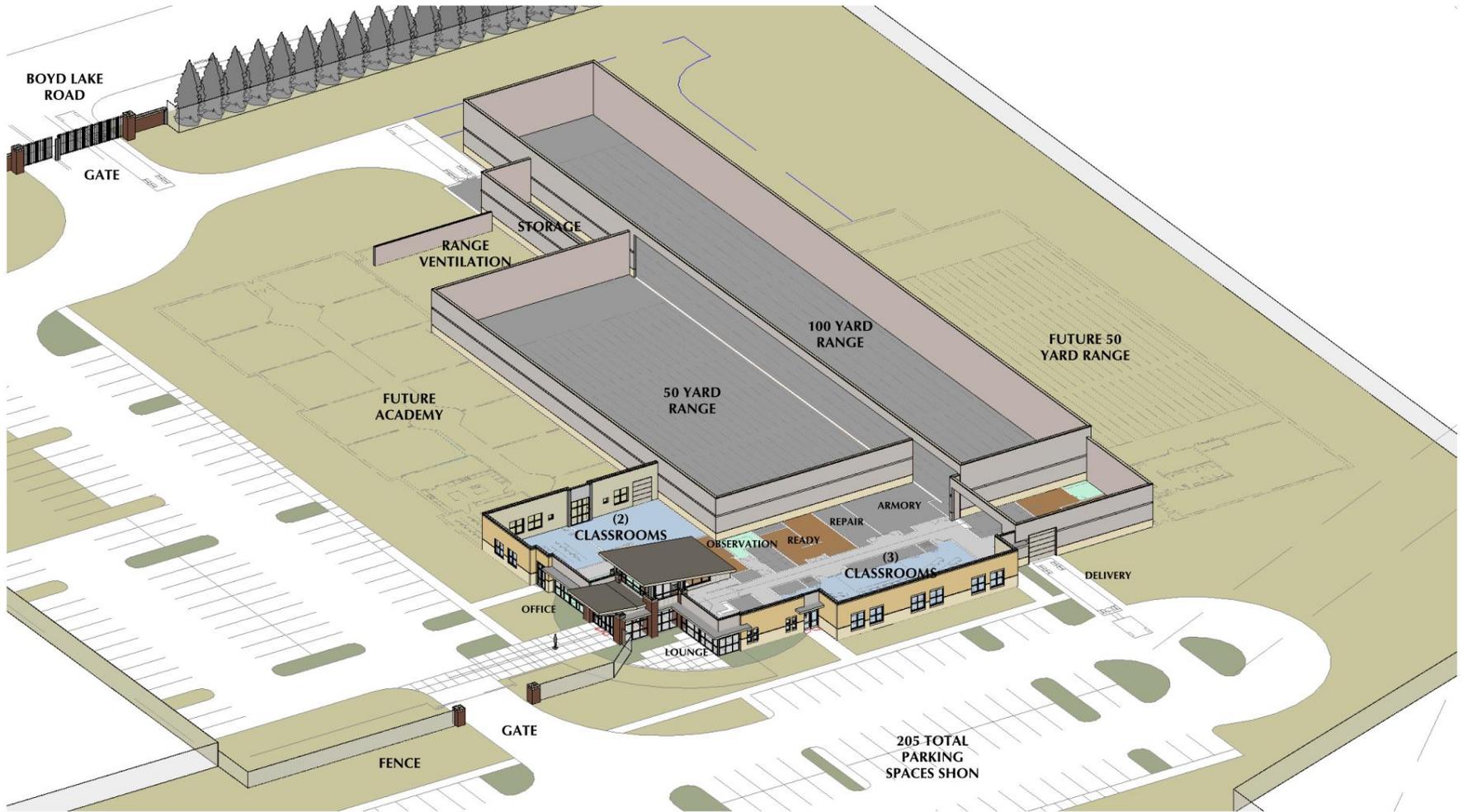
DESCRIPTION	YEAR	EXPECTED DURATION
Project programming – info gathering	2014	1 st & 2 nd Quarters
Early design – schematic design	2014	3 rd & 4 th Quarters
Budgets finalized – Council approvals	2015	1 st Quarter
Design development & construction drawings	2015	1 st , 2 nd , 3 rd , & 4 th Quarters
Construction bid process	2015	4 th Quarter
Project construction – campus infrastructure, driving areas	2016	1 st , 2 nd , 3 rd , & 4 th Quarters
Project construction – indoor ranges	2017	1 st , 2 nd , 3 rd , & 4 th Quarters

Recommendation

- Move forward now with Regional Training Campus



Aerial looking NW at Range Building

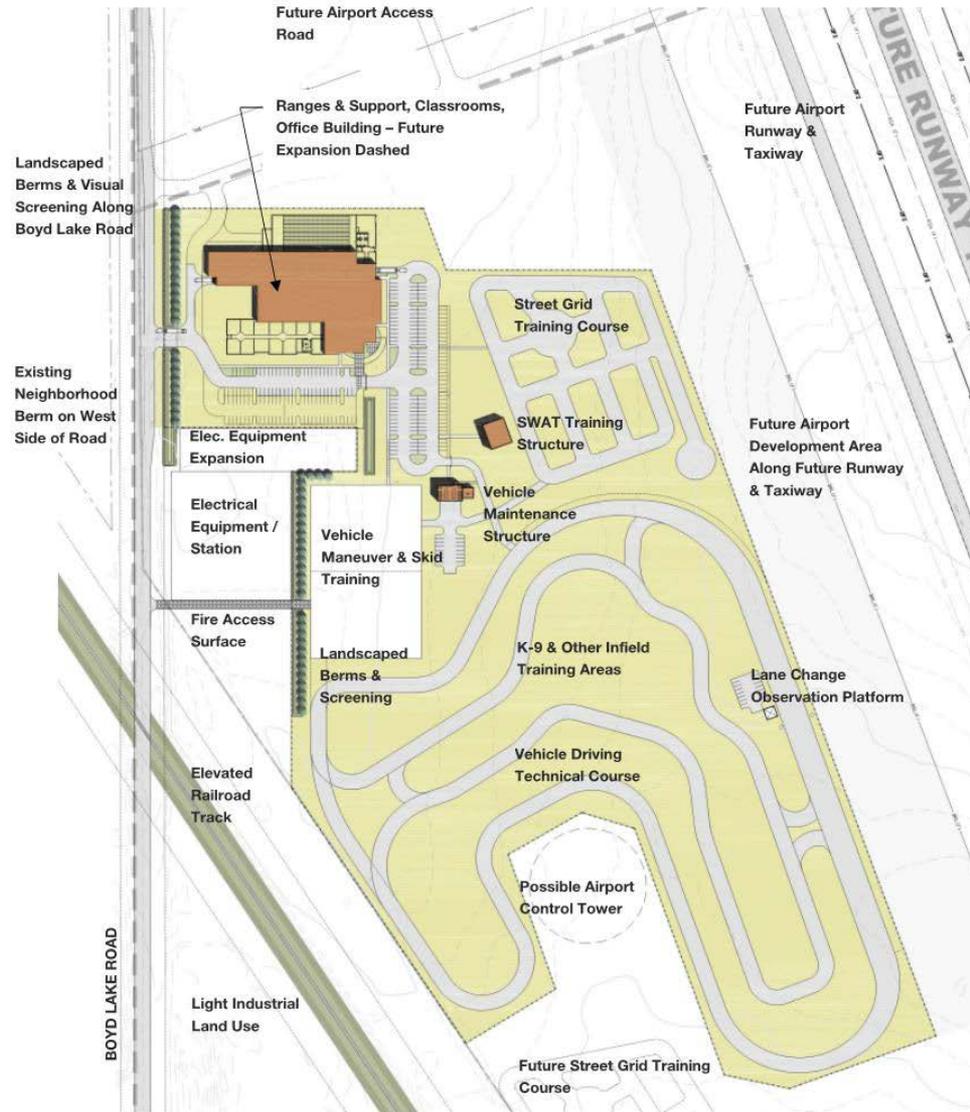


Aerial looking NW at Campus



LOOKING NORTHWEST

Proposed Site Plan



PROPOSED SITE USE DIAGRAM

Proposed Plan Diagram

