AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: Acknowledgment of County Manager Signature; Amendm

Action Requested: County Manager Signature

Parties to the Agreement:

Term Begins: 1/13/17 **Term Ends:** 1/12/2018 **Grant Contract #:**

Summary:

Extension of 1 year to finalize grant requirements.

Fiscal Impact: $360,000

Submitted by: Linda Nienhueser **Submitter's Email Address:** lnienhueser@gunnisoncounty.org

Finance Review: ○ Required ◉ Not Required

Comments:

Reviewed by: Discharge Date:

County Attorney Review: ◉ Required ○ Not Required

Comments:
ok - gs

Reveiwed by: GUNCOUNTY1\gstuhr Discharge Date: 1/11/2017 Certificate of Insurance Required

Yes ○ No ◉

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\mbirnie Discharge Date: 1/13/2017

◉ Consent Agenda ○ Regular Agenda ○ Worksession Time Allotted: 0

Agenda Date: 1/24/2017

Revised April 2015

U.S. Department of Transportation
Office of the Secretary of Transportation

1200 New Jersey Ave, SE
Washington, DC 20590

January 10, 2017

Linda Nienhueser
Finance Director
Gunnison County
200 East Virginia Avenue
Gunnison, CO 81230

Dear Ms. Nienhueser:

This is in response to your request for an extension of the January 30, 2014, Grant Agreement (the Agreement) between Gunnison County, Colorado, acting on behalf of the community of Gunnison, Colorado, and the U.S. Department of Transportation (the Department) under the Small Community Air Service Development Program (SCASDP). The Department awarded the grant to Gunnison's airport in order to assist in the sponsor's efforts to recruit, initiate, and support new non-stop summer season air service from Gunnison/Crested Butte Regional Airport to Houston, Texas, Dallas-Ft. Worth, Texas, or Phoenix, Arizona. The Department agreed to provide $350,000 toward these efforts and the local communities agreed to provide $350,000 in cash contributions. Pursuant to Section B.4 of the Agreement, the Agreement expires on January 13, 2017.

You have requested an extension of the term of the Agreement for an additional year. In support of this request, you state that the Gunnison County Small Community Air Service grant has been a very important component of increasing summer air service to your airport, and that you have just completed the third summer of the program and have been able to expand service each year. During the first summer of 2014, you ran 15 flights, ran a load factor of 80.9%, and carried 1,585 passengers. In the summer of 2015, you increased to 38 flights (153% increase year-over-year) and kept the load factor high at 77.1%, and carried 4,100 passengers. This past summer, you state that you again increased the service and ran 53 flights (39.5% increase year-over-year), spent more on marketing and were able to increase the load factor to 79.6%. You carried 5,685 passengers and estimate that the entire program for the three years will end up costing about $518,000 which is about $232,000 less than budgeted.

You note a particular challenge facing the service in 2017. The Gunnison airport will be closed this coming spring for an FAA funded runway resurfacing and will be re-opening in time for the summer flights to begin. This closure is causing some confusion and you would like to be able to have a solid summer air program once the airport reopens in mid-June. Therefore, you would like to increase the service between Gunnison and Houston next summer to run daily from June 24th to August 20th, for 58 flights, and anticipate carrying about 6,400 passengers on the

program. You have stated that extending the SCASDP grant completion by one year would be helpful to your community, and would allow you to get the program stabilized and help to prove that the service is sustainable.

We believe that providing the community additional time to achieve its grant project objective is warranted and is consistent with the public interest and the overall goals of SCASDP. With this in mind, we have decided to extend the term of the Agreement, through January 12, 2018. Please note that you must continue to submit quarterly reports as required by the Agreement.

The request requires a formal amendment to the Agreement as detailed in the enclosed Amendment Number 1. Except for the provisions of the original Agreement modified in the enclosed amendment, all other provisions of the Agreement remain unchanged. In this regard, we are enclosing two original counterpart versions of Amendment Number 1 for countersignature.

You should keep one signed counterpart for your records and return the other to my attention at:

U.S. Department of Transportation
W86-307
1200 New Jersey Ave., SE
Washington, D.C. 20590

Please keep us apprised of your progress. If you have any questions, please contact Vince Corsaro at (202) 366-1842 or me at (202) 366-0577.

Sincerely,

Brooke Chapman
Associate Director
Small Community Air Service Development Program

Enclosures

GRANT AGREEMENT BETWEEN THE U.S. DEPARTMENT OF TRANSPORTATION AND GUNNISON COUNTY, COLORADO, ACTING ON BEHALF OF THE COMMUNITY OF GUNNISON, COLORADO, UNDER THE SMALL COMMUNITY AIR SERVICE DEVELOPMENT PROGRAM

AMENDMENT NO. 1

This Amendment No. 1 to the Grant Agreement dated as of January 30, 2014, between the U.S. Department of Transportation (DOT) and Gunnison County, Colorado (Sponsor), acting on behalf of the community of Gunnison, Colorado, under the Small Community Air Service Development Program (Grant Agreement) is entered into by and between the DOT and the Sponsor and is effective as of January 13, 2017.

The DOT and the Sponsor hereby agree to amend the Grant Agreement as follows:

(1) Extension of the Grant Term. Section B.4 of the Grant Agreement is hereby amended to read as follows: Subject to the terms set forth in this Grant Agreement, and unless otherwise agreed between the Sponsor and the DOT, this Grant Agreement will expire January 12, 2018.

(2) No Other Modifications. Except for the amendment to Section B.4 described above, this Amendment No. 1 makes no other modifications to the Grant Agreement and all terms and conditions of the Grant Agreement will continue in full force and effect.

(3) Counterpart Signature Pages. This Amendment No. 1 may be executed and delivered in counterparts, each of which will be deemed an original.

GRANT AGREEMENT BETWEEN THE U.S. DEPARTMENT OF TRANSPORTATION AND GUNNISON COUNTY, COLORADO, ACTING ON BEHALF OF THE COMMUNITY OF GUNNISON, COLORADO, UNDER THE SMALL COMMUNITY AIR SERVICE DEVELOPMENT PROGRAM

AMENDMENT NO. 1, CONTINUED

IN WITNESS WHEREOF, the DOT and the Sponsor have caused this Amendment No. 1 to be executed by their authorized representatives.

For the Department of Transportation:

Executed this 10th day of January, 2017.

United States Department of Transportation

(SEAL)

Brooke Chapman
Associate Director
Small Community Air Service Development Program

For the Sponsor:

Executed this 11th day of January, 2017.

Gunnison County
Gunnison, Colorado

(SEAL)

GUNNISON COUNTY SEAL COLORADO

Signature of Sponsor's Designated Official Representative

Matthew Birnie
Printed Name

County Manager
Title