AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: Resolution; Airport Rents

Action Requested: Board of County Commissioners' Signature

Parties to the Agreement: Gunnison County and Airport Tenants

Term Begins: 7/1/2020 **Term Ends:** 9/30/2020 **Grant Contract #:**

Summary:

A resolution to abate airport rates and charges for all airport tenants to mitigate the impacts of COVID-19. This is an add on to the deferred policy that has just ended on June 30, 2020.

Fiscal Impact: Abatement of all rents, fees, and charges for 3 months

Submitted by: Stephanie Williams **Submitter's Email Address:** swilliams@gunnisoncounty.org

Finance Review: (●) Required ( ) Not Required

Comments:
No concerns, airport lost revenue is reimburseable under the CARES Act. ln

Reviewed by: GUNCOUNTY1\lNienhueser Discharge Date: 7/13/2020

County Attorney Review: (●) Required ( ) Not Required

Comments:
ok db 7/15/20

Reveiwed by: GUNCOUNTY1\dBaumgarten Discharge Date: 7/15/2020 Certificate of Insurance Required Yes ( ) No (●)

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\emense Discharge Date: 7/17/2020

(●) Consent Agenda ( ) Regular Agenda ( ) Worksession Time Allotted: 0

Agenda Date: 7/21/2020

Revised April 2015

BOARD OF COUNTY COMMISSIONERS
OF GUNNISON COUNTY
RESOLUTION NO. XXXXXX

A RESOLUTION ABATING PAYMENT OF AIRPORT OF RENTS, FEES, AND CHARGES

WHEREAS, as result of the COVID-19 pandemic and the subsequent significant decline in air traffic and its negative financial impact on airport tenants, the Board adopted the Gunnison-Crested Butte Regional Airport Policy on Temporary Deferral of Airport Rates and Charges on May 5th, 2020;

WHEREAS, the Federal Aviation Administration is recommending airports receiving financial assistance under the CARES ACT airport grant program extend a fee abatement policy to airport business to mitigate the impacts of COVID-19;

WHEREAS, the Board wishes to further financially assist current airport tenants by abating airport rates and charges and has reviewed the Gunnison-Crested Butte Regional Airport Policy on Temporary Abatement of Airport Rates and Charges, attached hereto and incorporated herein, by reference as Appendix A,

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Gunnison County, Colorado that the *Gunnison-Crested Butte Regional Airport Policy on Temporary Abatement of Airport Rates and Charges* attached hereto as Appendix A shall be and is hereby adopted.

INTRODUCED by Commissioner _____ seconded by _____

By Commissioner _____ and adopted this ____ day of _____, 2020

BOARD OF COUNTY COMMISSIONERS
OF GUNISON COUNTY, COLORADO

_____
Johnathan Houck,
Chairperson

_____
Roland Mason,
Commissioner

Attest:

_____Clerk

Appendix A

Gunnison-Crested Butte Regional Airport
Policy on Temporary Abatement of Airport Rates and Charges

Gunnison County is aware of the significant financial impact on Gunnison-Crested Butte Airport (the Airport) tenants, its business partners and the County as a whole as a result of COVID-19.

In order to assist airport tenants operating at the airport to deal with the significant reductions in passenger levels, operations and revenue, the County has adopted this policy which, as defined below, will permit the abatement of airport rents, landing fees and charges to the County for up to 90 days during the period **July 1st 2020** through **September 30th 2020** as follows:

- Permit the abatement of Airline payment obligations for rates and charges under the current Airline Operating Agreements and Lease of Airport Facilities. The deferral includes all exclusive and non-exclusive space rent and landing fees imposed in accordance with current operating Agreements and the Airport Rates and Charges Resolution No. 12-30, with the exception of Passenger Facility Charges collected and remitted in accordance with the Airline Agreements which must continue to be remitted.

- Permit abated payment of non-airline tenant payment obligations for rates and charges under the current Operating Agreements and Lease of Airport Facilities with the exception of Fuel Flowage Fee collected by the FBO and remitted in accordance with the operating Agreement which must continue to be remitted.

- To waive collection and remittance of the Gross Revenue Fee imposed by the County and collected and remitted pursuant to the Airport Facilities Lease and Rental Car Concession Agreements and Ground Transport Agreements.

- To permit tenants and service providers to adjust hours of operation, staffing, required services, and other aspects of their operations in response to the decrease in traffic and to comply with health advisories and mandatory orders from local and state public health agencies.

- This deferral does not affect rates and charges and payment obligations that accrued prior to the period **June 30th 2020**.

During this abatement period, the County will not consider a tenant's lack of payment to constitute a payment delinquency, will not compute and attach a late charge or interest to the payment obligation, will not declare a tenant to be in default under the Agreement, and will not call on any contract security or performance or payment bond

All tenants are required to continue reporting activity to the County as required by their respective Agreements and all other terms and conditions of the Agreements shall bind the parties.

The County further reserves the right to rescind this abatement if, for example, the County determines that the abatement is inconsistent with an existing legal obligation.

The County is mindful of the challenges presented and hope that this measure of relief will further help our airport partners address cash flow challenges that it might face in the near future.

U.S. Department
of Transportation
**Federal Aviation
Administration**

Date: June 22, 2020

Dear Airport Sponsors:

The Coronavirus Aid, Relief, and Economic Security (CARES) Act Airport Grant Program's $10 billion in emergency resources are intended to help fund the continued operations of our nation's airports during this public health emergency and save workers' jobs. We encourage sponsors to consider the impact the public health emergency has on all aeronautical and non-aeronautical businesses that make up the airports' community. These businesses are dependent on passengers and aeronautical activity to generate revenue, employ workers, and sustain airport operations.

We are aware that these businesses have also experienced unprecedented losses in revenue and have laid off thousands of workers. While small disadvantaged firms are particularly vulnerable during these uncertain times, large international firms may also find the reduction of revenue to be disruptive to continued operations.

Some sponsors have taken the lead to ensure the businesses that make up their airport community will be able to continue operations and bring back workers when operations resume. Unfortunately, we have heard others may not be fully considering the desirability of having viable businesses as tenants that can bring workers back when normal operations resume.

Temporary rent abatement and minimum annual guarantee waivers for tenants, as referenced in the April 4, 2020 FAA Office of Airports Guidance, *Information for Airport Sponsors on Considering COVID-19 Restrictions or Accommodations*, are tools that sponsors can use to assist businesses.[1] Rent deferments, rather than abatements, and unjustified hurdles for consideration of relief are not as supportive of the "we are all in this together" approach sponsors should take during this public health emergency.

We encourage sponsors to use available tools to mitigate adverse impacts on large and small businesses to ensure the airport community emerges from these trying times stronger than ever.

Sincerely,

D. Kirk Shaffer
Associate Administrator, Office of Airports

John P. Benison
Assistant Administrator, Office of Civil Rights

[1] This guidance is not legally binding in its own right. Conformity with this guidance, as distinct from existing statutes, regulations, and grant assurances, is voluntary only, and nonconformity will not affect existing rights and obligations.