AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: Resolution; Deferring Payment of Airport Rents, Fe

Action Requested: Board of County Commissioners' Signature

Parties to the Agreement: Airport Tenants and Gunnison County

Term Begins: 4/1/2020 **Term Ends:** 6/30/2020 **Grant Contract #:**

Summary:

This is a policy to assist airport tenants operating at the airport by deferring airport rents, fees and charges to the County for 90 days to assist with COVID relief.

Fiscal Impact: 90 days deferred revenue

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

Finance Review: (●) Required ( ) Not Required

Comments:
No new concerns related to deferral proposal, agree with this relief for tenants.

Reviewed by: GUNCOUNTY1\lNienhueser Discharge Date: 4/29/2020

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

Comments:
ok db 4/30/20

Reveiwed by: GUNCOUNTY1\dBaumgarten Discharge Date: 4/30/2020 Certificate of Insurance Required Yes ( ) No (●)

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\mbirnie Discharge Date: 5/1/2020

( ) Consent Agenda (●) Regular Agenda ( ) Worksession Time Allotted: 5

Agenda Date: 5/5/2020

Revised April 2015

BOARD OF COUNTY COMMISSIONERS
OF GUNNISON COUNTY
RESOLUTION NO. XXXXXX

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

WHEREAS on March 10, 2020, Colorado Governor Jared Polis declared a State of Emergency related to the presence of the Novel Coronavirus 2019 (COVID-19) in the State of Colorado; and

WHEREAS, on March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic; and

WHEREAS on March 13, 2020, President Donald J. Trump issued a proclamation declaring the COVID-19 outbreak in the United States constitutes a national emergency; and

WHEREAS, travel has been restricted to and from certain countries and many companies have suspended travel by employees and many families and individuals are avoiding air travel; and

WHEREAS, to date, the State of Colorado and Gunnison County has significantly limited business activities and public gatherings, through the issuance of Public Health Orders; and

WHEREAS, air traffic has declined sharply, both nationally and at the Gunnison-Crested Butte Regional Airport (the Airport), and airlines have reduced domestic capacity by approximately ninety percent (90%) or more in light of reduced demand; and

WHEREAS, the County wishes to support and sustain our airport business partners during this crisis in a fair and nondiscriminatory way; and

WHEREAS, the Board has a fiduciary duty to protect the financial position of the Airport and ensure that short-term steps to support airport business partners does not jeopardize the Airport as a self-sustaining enterprise.

WHEREAS, the Board has reviewed the Gunnison-Crested Butte Regional Airport Policy on Temporary Deferral 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 Deferral 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

_____
John Messner,
Commissioner

_____
Roland Mason,
Commissioner

Attest:

_____
Clerk

Appendix A

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

Gunnison County is aware of the significant reduction in demand for air travel as a result of COVID-19 and the effects it has had on the County as a whole, the Gunnison-Crested Butte Regional Airport (the airport) and its business partners.

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 will permit deferred payment of all airport rents, fees and charges to the County for up to 90 days during the period **April 1st 2020** through **June 30th 2020** as follows:

- Permit deferred payment 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.

- To be clear, the County is granting a deferral of Airlines payment obligations in light of the extraordinary reduction in ticketed passengers. This is neither an abatement of rates and charges nor a "force majeure" event under the airline operating agreements Section 8.8 of the Agreements.

- Permit deferred payment of non-airline tenant payment obligations for rates and charges under the current Operating Agreements and Lease of Airport Facilities.

- 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 **April 1st 2020** through **June 30th 2020**.

During this deferral 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 will 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 deferral if, for example, a tenant files for bankruptcy protection during the deferral period and/or the County determines that the deferral is inconsistent with an existing legal obligation.

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