



**TRUCKEE TAHOE AIRPORT DISTRICT
BOARD OF DIRECTOR STAFF REPORT**

AGENDA TITLE: Resolution 2020-03 Airport Lease Payment Forbearance under COVID-19 Pandemic Conditions

MEETING DATE: April 22, 2020

PREPARED BY: Hardy Bullock, Director of Aviation & Community Services

RECOMMENDED ACTION: Adopt the Truckee Tahoe Airport District RESOLUTION NO. 2020-03 and authorize the General Manager to accept rent deferral requests from tenants.

DISCUSSION: Staff has received requests from airport tenants to defer rent during this COVID-19 pandemic as a result of sudden and dramatic reductions in income and cashflow. These are private, commercial, and non-profit tenants. The airport is required to offer any voluntary relief in a fair and non-discriminatory way that align with guidelines set forth by the FAA and District policy. Recent Federal Aviation Administration Guidance dated April 4, 2020 gives airports the authority to provide rent relief for aeronautical and non-aeronautical tenants.

Further economic impacts are anticipated, leaving tenants vulnerable to eviction. Displacing renters who are unable to pay rent due to these types of financial impacts will worsen the present crisis. It is the airport's roles to promote stability amongst commercial, private, and non-profit tenants. Staff recommends extending relief to airport tenants to support the safe, efficient and secure use of the airport and promote its long term, vibrant and sustainable use.

The resolution calls out a few important restrictions. The funding is available to tenants who have a monthly payment of less than \$5000.00, others may apply but we recommend the General Manager have flexibility in approving these so the broadest application of benefit may be realized. There is a cap on the total program funding to allow the Board of Directors to control the amount of deferred revenue. Additional funding may be adopted either by policy or resolution.

WHAT'S NEXT: Approve the Resolution and begin accounting for deferred payments for tenants interested in the program.

FISCAL IMPACT: Initially the program would defer up to \$175,000 in payments leaving the District to adjust its cashflow forecast as well as estimates for earnings related to leases and commercial operating permits. The \$175,000 should be paid back to the District within 18 months although Staff anticipates some loss of revenue based on the financial condition of tenants and the economy in general. The District has no current method of securing the deferred rent except minor lease deposits.

PUBLIC COMMUNICATIONS: This program would need to be offered to all tenants. As such the District would make this information available through regular tenant communication channels.

SAMPLE MOTION(S):

I move to (approve, continue, deny) Resolution 2020-03 Airport Lease Payment Forbearance under COVID-19 Pandemic Conditions and wave the reading.

ATTACHMENTS:

Resolution 2020-03 Airport Lease Payment Forbearance under COVID-19 Pandemic Conditions.

Deferral Form