

GRAND JUNCTION REGIONAL AIRPORT



C O L O R A D O
AIRPORT of the YEAR

BOARD PACKET

OCTOBER 19, 2021

Grand Junction Regional Airport Authority



Date: October 19, 2021

Location:

GRAND JUNCTION REGIONAL AIRPORT
2828 WALKER FIELD DRIVE
GRAND JUNCTION, CO 81506
AIRPORT TERMINAL - 3rd FLOOR CONFERENCE ROOM

or

Electronic Meeting

Link: <https://us02web.zoom.us/j/89835604267>

Time: 5:15 PM

REGULAR MEETING AGENDA

I. Call to Order

II. Pledge of Allegiance

III. Approval of Agenda

IV. Commissioner Comments

V. Citizens Comments

The Grand Junction Regional Airport Authority welcomes respectful public comments at its meetings. The Citizens Comment section is open to all individuals that would like to comment. If you wish to speak under the Citizens Comment portion of the agenda, please e-mail your comment to the Board Clerk (boardclerk@gjairport.com) 15 minutes prior to the meeting. Comments not related to specific agenda items will be addressed during the citizen comment section of the agenda. Citizen comments related to a specific action item will be addressed during the discussion of that action item. The Board Chair will indicate when you may come forward and comment. Please state your name for the record. Presentations are limited to **three minutes** and yielding time to others is not permitted. Speakers are to address the Chair, not each other or the audience, and are expected to conduct themselves in an appropriate manner. The use of abusive or profane language shall not be allowed. No debate or argument between speakers and/or members of the audience shall be permitted.

VI. Consent Agenda

- A. September 21, 2021 Meeting Minutes _____ 1
 - Approve the September 21, 2021 Board Meeting Minutes.
- B. Transportation Security Administration (TSA) Office Lease Space _____ 2
 - Approve lease No. GS-08P-LCO00514 with the General Services Administration for the TSA office space and authorize the Executive Director to sign the lease.

October 19, 2021

C.	Plante Moran 2021 Audit Engagement Letter for 2021 Audits _____	3
	- Approve the audit engagement letter with Plante Moran for the 2021 audits.	
D.	Lease Assignment- DASU, LLC and McClymond Aviation, LLC _____	4
	- Approve lease assignment between DASU, LLC and McClymond Aviation, LLC and authorize the Executive Director to execute the assignment.	
VII.	Action	
A.	CMT / GJRAA Professional Services Agreement _____	5
	- Approve the standard agreement for professional services with Crawford, Murphy, & Tilly, Inc. (CMT) for air service development consulting services and delegate authority to the Executive Director to authorize work under proposal option 3 up to \$85,000.	
VIII.	Public Hearing (C.R.S. §29-1-108(1))	
A.	GJRAA 2022 Budget _____	6
IX.	Discussion	
A.	Delegation of Authority as it relates to budgeting, purchasing, and procurement ____	7
B.	GJRAA Mission, Vision, and Values _____	8
X.	Staff Reports	
A.	Legal Update (Dan Reimer)	
B.	Executive Director Report (Angela Padalecki)	
C.	Finance and Activity Report (Sarah Menge) _____	9
D.	Operations Report (Dylan Heberlein)	
E.	Facilities Report (Ben Peck)	
F.	Project Report (Colin Bible)	
XI.	Any other business which may come before the Board	
XII.	Adjournment	



Grand Junction Regional Airport Authority Board
Regular Board Meeting
Meeting Minutes
September 21, 2021

REGULAR BOARD MEETING

I. Call to Order

Mr. Clay Tufly, Board Vice Chairman, called the Meeting of the Grand Junction Regional Airport Authority Board to order at 5:15 PM on September 21, 2021 in Grand Junction, Colorado and in the County of Mesa. The meeting was hosted in the 3rd floor conference room as well as electronically.

<p><u>Commissioners Present:</u></p> <p>Clay Tufly (Vice Chairman) Erling Brabaek Linde Marshall Thaddeus Shrader Ron Velarde</p> <p><u>Airport Staff:</u></p> <p>Angela Padalecki (Executive Director) Dan Reimer (Counsel) Sarah Menge Cameron Reece (Clerk) Ben Peck Shelagh Flesch</p>	<p><u>Guests:</u></p> <p>Jeremey Lee, Mead and Hunt Colin Bible, Garver Brad Rolf, Mead and Hunt</p>
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II. Pledge of Allegiance

III. Approval of Agenda

Commissioner Marshall made a motion to approve the September 21, 2021 Board Agenda. Commissioner Brabaek seconded the motion. Roll Call Vote: Commissioner Tufly, yes; Commissioner Brabaek, yes; Commissioner Shrader, yes; and Commissioner Marshall, yes; Commissioner Velarde, yes; motion carries.

IV. Commissioner Comments

No Commissioner Comments were made

V. Citizen Comments

No Citizen Comments were made

VI. Consent Agenda

A. August 17, 2021 Meeting Minutes

Approval of August 17, 2021 Board Meeting Minutes

B. September 2, 2021 Meeting Minutes

Approval of September 2, 2021 Special Board Meeting Minutes

C. Grant Application – Airport Rescue Grant Concession Relief

Authorize the Executive Director to sign the Airport Rescue Grant application for \$214,188 to provide relief from rent and minimum annual guarantees to eligible in-terminal concessions.

Commissioner Brabaek made a motion to approve the Consent Agenda. Commissioner Velarde seconded the motion. Roll Call Vote: Commissioner Tufly, yes; Commissioner Brabaek, yes; Commissioner Shrader, yes; and Commissioner Marshall, yes; Commissioner Velarde, yes; motion carries.

VII. Discussion

- A. Proposed Rates and Charges Amendments
- B. Air Service Incentive Program Revisions
- C. Delegation of Authority as it relates to budgeting, purchasing, and procurement

VIII. Staff Reports

- D. Executive Director Report (Angela Padalecki)
- E. Finance and Activity Report (Sarah Menge)
- F. Facilities Report (Ben Peck)
- G. Project Report (Colin Bible)

IX. Any other business which may come before the Board

X. Adjournment

The meeting adjourned at approximately 6:22pm.

*Audio recording of the complete meeting can be found at
[https://qjairport.com/Board Meetings](https://qjairport.com/Board_Meetings)*

Clay Tufly, Board Vice Chairman

ATTEST:

Cameron Reece, Clerk to the Board

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	Transportation Security Administration (TSA) Office Lease Space		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Approve lease No. GS-08P-LCO00514 with the General Services Administration for the TSA office space and authorize the Executive Director to sign the lease.		
SUMMARY:	<p>The proposed office space lease with the General Services Administration (GSA) is for the office space currently occupied by the Transportation Security Administration (TSA). The occupied space includes office space on the second floor adjacent to the checkpoint and administrative offices on the third floor.</p> <p>The proposed new lease has an effective date of September 15, 2021 and the term is 7-years firm with one 3-year renewal option, and two 5-year renewal options for a potential 20-year total lease. The annual rate for the first firm 7-year term is fixed at \$34.09/square foot, years 8-10 will be at an annual rate of \$35.79/square foot and rates for any additional options will be negotiated at the time the renewal is exercised.</p> <p>The TSA has been a tenant at the Airport for several years and the most recent lease was entered into in 2011. Effective September 15, 2021, the TSA gave back 636 square feet on the second floor to the airport. The proposed rates for the first 7-year term and first renewal option were derived from the expiring lease rate (\$30.30/square foot) and applying an average CPI increase over the term of the lease.</p> <p>Janitorial services will continue to be provided within the space in accordance with the lease document as will the other annual maintenance requirements such as carpet cleaning. Beyond the revenue from the lease, having TSA administration on Airport benefits ongoing operations and encourages a strong partnership between the Airport and the TSA. Staff and legal counsel recommend approval.</p>		
REVIEWED BY:	Executive Director and Legal Counsel		
FISCAL IMPACT:	Annual 2022 Operating Revenue of \$181,392.47		
ATTACHMENTS:	<ol style="list-style-type: none">1. GSA Form L201D2. Exhibit A – Floor Plans3. Exhibit B – GSA Form 3517B, General Clauses4. Exhibit C – Representation regarding telecommunications5. Certificate of Occupancy from 2012 Remodel		
STAFF CONTACT:	Sarah Menge Email: SMenge@gjairport.com Office: (970) 248-8581		

LEASE NO. GS-08P-LCO00514

On-Airport Lease
GSA TEMPLATE L201D (OCT 2020)

A. This Lease is made and entered into between

Grand Junction Regional Airport Authority

(Lessor), whose principal place of business is 2828 Walker Field DR STE 301, Grand Junction, Colorado 81506-8667, and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

(Government), acting by and through the designated representative of the General Services Administration (GSA), upon the terms and conditions set forth herein.

B. Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

Grand Junction Regional Airport, 2828 Walker Field DR, Grand Junction, Colorado 81506-8667

and more fully described in Section 1 and Exhibit A, together with rights to the use of parking and other areas as set forth herein, to be used for such purposes as determined by GSA.

C. LEASE TERM

To Have and To Hold the said Premises with its appurtenances for the term beginning upon **September 15, 2021**, and continuing for a period of

10 Years, 7 Years Firm,

subject to termination and renewal rights as may be hereinafter set forth.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

FOR THE LESSOR:

FOR THE GOVERNMENT:

Name: _____

Name: _____

Title: _____

Title: Lease Contracting Officer

Entity: _____

General Services Administration, Public Buildings Service

Date: _____

Date: _____

WITNESSED FOR THE LESSOR BY:

Name: _____

Title: _____

Date: _____

The information collection requirements contained in this Solicitation/Contract, that are not required by the regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS	3
1.01 THE PREMISES (SEP 2015)	3
1.02 EXPRESS APPURTENANT RIGHTS (SEP 2013)	3
1.03 RENT AND OTHER CONSIDERATION (ON-AIRPORT) (OCT 2020)	3
1.04 TERMINATION RIGHTS (ON-AIRPORT) (SEP 2013)	3
1.05 RENEWAL RIGHTS (OCT 2016)	4
1.06 DOCUMENTS INCORPORATED IN THE LEASE (ON-AIRPORT) (OCT 2020)	4
1.07 OPERATING COST BASE (OCT 2016)	4
1.08 LESSOR'S UNIQUE ENTITY IDENTIFIER (OCT 2020)	4
SECTION 2 GENERAL TERMS, CONDITIONS, AND STANDARDS	5
2.01 DEFINITIONS AND GENERAL TERMS (OCT 2016)	5
2.02 AUTHORIZED REPRESENTATIVES (OCT 2016)	5
2.03 WAIVER OF RESTORATION (OCT 2018)	6
2.04 OPERATING COSTS ADJUSTMENT (JUN 2012)-INTENTIONALLY DELETED	6
2.05 RELOCATION RIGHTS (JUN 2012)	6
2.06 RECITALS FOR TRANSPORTATION SECURITY ADMINISTRATION (ON-AIRPORT) (JUN 2012)	6
2.07 ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY (ON-AIRPORT) (MAY 2015)	6
2.08 ALTERATIONS PRIOR TO ACCEPTANCE (JUN 2012)	6
2.09 SYSTEM FOR AWARD MANAGEMENT (MAR 2020)	6
2.10 SECURITY UPGRADES DUE TO IMMEDIATE THREAT (APR 2011)	6
SECTION 3 CONSTRUCTION STANDARDS AND SHELL COMPONENTS	7
3.01 BUILDING SHELL REQUIREMENTS (ON-AIRPORT) (SEP 2013)	7
3.02 MEANS OF EGRESS (MAY 2015)	7
3.03 AUTOMATIC FIRE SPRINKLER SYSTEM (SEP 2013)	7
3.04 FIRE ALARM SYSTEM (SEP 2013)	7
3.05 ENERGY INDEPENDENCE AND SECURITY ACT (DEC 2011)	8
3.06 ACCESSIBILITY (FEB 2007)	8
3.07 MECHANICAL, ELECTRICAL, PLUMBING: GENERAL (APR 2011)	8
3.08 RESTROOMS (ON-AIRPORT) (JUN 2012)	8
3.09 HEATING, VENTILATION, AND AIR CONDITIONING (ON-AIRPORT) (APR 2011)	8
3.10 TELECOMMUNICATIONS: LOCAL EXCHANGE ACCESS (ON-AIRPORT) (SEP 2013)	8
SECTION 4 UTILITIES, SERVICES, AND OBLIGATIONS DURING THE LEASE TERM	9
4.01 SERVICES, UTILITIES, AND MAINTENANCE (ON-AIRPORT) (OCT 2020)	9
4.02 PROVISION OF SERVICES, ACCESS, AND NORMAL HOURS FOR AIRPORT OCCUPANCIES (SEP 2013)	9
4.03 MAINTENANCE AND TESTING OF SYSTEMS (SEP 2013)	9
4.04 RECYCLING (ON-AIRPORT) (JUN 2012)	9
4.05 RANDOLPH-SHEPPARD COMPLIANCE (SEP 2013)	9
4.06 SAFEGUARDING AND DISSEMINATION OF CONTROLLED UNCLASSIFIED INFORMATION (CUI) BUILDING INFORMATION (FEB 2020)- INTENTIONALLY DELETED	9
4.07 INDOOR AIR QUALITY (OCT 2019)	9
4.08 HAZARDOUS MATERIALS (ON-AIRPORT) (OCT 2018)	10
4.09 OCCUPANT EMERGENCY PLANS (OCT 2020)	10
SECTION 5 ADDITIONAL TERMS AND CONDITIONS	11
5.01 ROUTINE CLEANING AND DISINFECTING SERVICES (ON-AIRPORT) (OCT 2020) INTENTIONALLY DELETED	11
5.02 JANITORIAL SERVICES	11
5.03 AIRPORT DE-FEDERALIZED	11

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (SEP 2015)

The Premises are described as follows:

A. Office and Related Space: **5,321** rentable square feet (RSF), yielding **4,627** ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space of the Building, as depicted on the floor plan(s) attached hereto as Exhibit **A**.

B. Common Area Factor: The Common Area Factor (CAF) is established as 1.149986365 percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

1.02 EXPRESS APPURTENANT RIGHTS (SEP 2013)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41, CFR, Part 102-74, Subpart C within such areas. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

A. Parking: **5** parking spaces, reserved for the exclusive use of the Government, of which **0** shall be structured/inside parking spaces and **5** shall be surface/outside parking spaces. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.

B. Antennas, Satellite Dishes and Related Transmission Devices: (1) Space located on the roof of the Building sufficient in size for the installation and placement of telecommunications equipment, (2) the right to access the roof of the Building, and (3) use of all Building areas (e.g., chases, plenums, etc.) necessary for the use, operation, and maintenance of such telecommunications equipment at all times during the term of this Lease.

1.03 RENT AND OTHER CONSIDERATION (ON-AIRPORT) (OCT 2020)

A. The Government shall pay the Lessor annual rent payable monthly in arrears at the following rates:

	Years 1 - 7		Years 8 - 10	
	Annual Rent	Annual Rate / RSF	Annual Rent	Annual Rate / RSF
Shell Rental Rate	\$181,392.47	\$34.09	\$190,438.15	\$35.79
Operating Costs	\$0	\$0	\$0	\$0
Full Service Rate	\$181,392.47	\$34.09	\$190,438.15	\$35.79

B. Rent is subject to adjustment based upon a mutual measurement of the Space upon acceptance, not to exceed **4,627** ABOA SF. based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

C. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

D. Rent shall be paid to Lessor by electronic funds transfer (EFT) in accordance with the provisions of the General Clauses. Rent shall be payable using the EFT information contained in the System for Award Management (SAM). In the event the EFT information changes, the Lessor shall be responsible for providing the updated information to SAM. Failure by the Lessor to maintain an active registration in SAM may result in delay of rental payments until such time as the SAM registration is activated. This registration service is free of charge.

E. The Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described herein in the paragraph entitled "The Premises,"
2. Performance or satisfaction of all other obligations set forth in this Lease; and
3. All services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

1.04 TERMINATION RIGHTS (ON-AIRPORT) (SEP 2013)

A. The Government may terminate this Lease, in whole or in part, at any time during the term of this lease with **60** days' prior written notice to the Lessor if (i) regularly scheduled commercial air services cease, (ii) the airport opts to replace TSA screeners with private contractors, (iii) the checkpoint supported by the leased Space is closed, or (iv) the Government reduces its presence at the airport due to a reduction in enplanements.

The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

B. The Government may terminate this Lease, in whole or in part, at any time effective after the Firm Term of this Lease, by providing not less than **60** days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

1.05 RENEWAL RIGHTS (OCT 2016)

This Lease may be renewed at the option of the Government for a term of two **5 YEAR renewal options** at the following rental rate(s):

OPTION TERM, YEARS 11-15		
	ANNUAL RENT	ANNUAL RATE / RSF
SHELL RENTAL RATE	TBD	TBD
OPERATING COSTS	OPERATING COST BASIS SHALL CONTINUE FROM THE EFFECTIVE YEAR OF THE LEASE. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

OPTION TERM, YEARS 16-20		
	ANNUAL RENT	ANNUAL RATE / RSF
SHELL RENTAL RATE	TBD	TBD
OPERATING COSTS	OPERATING COST BASIS SHALL CONTINUE FROM THE EFFECTIVE YEAR OF THE LEASE. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

provided notice is given to the Lessor at least **120** days before the end of the original lease term, all other terms and conditions of this Lease, as same may have been amended, shall remain in full force and effect during any renewal term.

Termination rights outlined "Termination Rights" paragraph apply to all renewal terms.

1.06 DOCUMENTS INCORPORATED IN THE LEASE (ON-AIRPORT) (OCT 2020)

The following documents are attached to and made part of the Lease:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
Floor Plan(s)	2	A
GSA Form 3517B, General Clauses	17	B
Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment	4	C

1.07 OPERATING COST BASE (OCT 2016)

The parties agree, for the purpose of applying the paragraph titled "Operating Costs Adjustment," that the Lessor's base rate for operating costs shall be **\$0** per RSF.

1.08 LESSOR'S UNIQUE ENTITY IDENTIFIER (OCT 2020)

Lessor's Unique Entity Identifier (currently Dun & Bradstreet DUNS Number): **156135394**.

SECTION 2 GENERAL TERMS, CONDITIONS, AND STANDARDS

2.01 DEFINITIONS AND GENERAL TERMS (OCT 2016)

Unless otherwise specifically noted, all terms and conditions set forth in this Lease shall be interpreted by reference to the following definitions, standards, and formulas:

- A. Appurtenant Areas. Appurtenant Areas are defined as those areas and facilities on the Property that are not located within the Premises, but for which rights are expressly granted under this Lease, or for which rights to use are reasonably necessary or reasonably anticipated with respect to the Government's enjoyment of the Premises and express appurtenant rights.
- B. Broker. If GSA awarded this Lease using a contract real estate broker, Broker shall refer to GSA's broker.
- C. Building. Building(s) situated on the Property in which the Premises are located .
- D. Commission Credit. If GSA awarded this Lease using a Broker, and the Broker agreed to forego a percentage of its commission to which it is entitled in connection with the award of this Lease, the amount of this credit is referred to as the "Commission Credit."
- E. Common Area Factor. The "Common Area Factor" (CAF) is a conversion factor determined by the Building owner and applied by the owner to the ABOA SF to determine the RSF for the leased Space. The CAF is expressed as a percentage of the difference between the amount of rentable SF and ABOA SF, divided by the ABOA SF. For example 11,500 RSF and 10,000 ABOA SF will have a CAF of 15% [(11,500 RSF- 10,000 ABOA SF)/10,000 ABOA SF]. For the purposes of this Lease, the CAF shall be determined in accordance with the applicable ANSI/ BOMA standard for the type of space to which the CAF shall apply.
- F. Contract. Contract shall mean this Lease.
- G. Contractor. Contractor shall mean Lessor.
- H. Days. All references to "day" or "days" in this Lease shall mean calendar days, unless specified otherwise.
- I. FAR. All references to the FAR shall be understood to mean the Federal Acquisition Regulation, codified at 48 CFR Chapter 1.
- J. Firm Term/Non-Firm Term. The Firm Term is that part of the Lease term that is not subject to termination rights. The Non-Firm Term is that part of the Lease term following the end of the Firm Term.
- K. GSAR. All references to the GSAR shall be understood to mean the GSA supplement to the FAR, codified at 48 CFR Chapter 5.
- L. Lease Term Commencement Date. The date on which the Lease term commences.
- M. Lease Award Date. The date the LCO executes the Lease and mails or otherwise furnishes written notification of the executed Lease to the successful Offeror (date on which the parties' obligations under the Lease begin).
- N. Premises. The Premises are defined as the total Office Area or other type of Space, together with all associated common areas, described in Section 1 of this Lease, and delineated by plan in the attached exhibit. Parking and other areas to which the Government has rights under this Lease are not included in the Premises.
- O. Property. The Property is defined as the land and Buildings in which the Premises are located, including all Appurtenant Areas (e.g., parking areas) to which the Government is granted rights.
- P. Rentable Space or Rentable Square Feet (RSF). Rentable Space is the area for which a tenant is charged rent. It is determined by the Building owner and may vary by city or by building within the same city. The Rentable Space may include a share of Building support/common areas such as elevator lobbies, Building corridors, and floor service areas. Floor service areas typically include restrooms, janitor rooms, telephone closets, electrical closets, and mechanical rooms. The Rentable Space does not include vertical building penetrations and their enclosing walls, such as stairs, elevator shafts, and vertical ducts. Rentable Square Feet is calculated using the following formula for each type of Space (e.g., office, warehouse, etc.) included in the Premises: ABOA SF of Space x (1 + CAF) = RSF.
- Q. Space. The Space shall refer to that part of the Premises to which the Government has exclusive use, such as Office Area, or other type of Space. Parking areas to which the Government has rights under this Lease are not included in the Space.
- R. Office Area. For the purposes of this Lease, Space shall be measured in accordance with the standard (Z65.1-1996) provided by American National Standards Institute/Building Owners and Managers Association (ANSI/BOMA) for Office Area, which means "the area where a tenant normally houses personnel and/or furniture, for which a measurement is to be computed." References to ABOA mean ANSI/BOMA Office Area.
- S. Working Days. Working Days shall mean weekdays, excluding Saturdays and Sundays and Federal holidays.

2.02 AUTHORIZED REPRESENTATIVES (OCT 2016)

Signatories to this Lease shall have full authority to bind their respective principals with regard to all matters relating to this Lease. No other persons shall be understood to have any authority to bind their respective principals, except to the extent that such authority may be explicitly delegated by notice to the other party, or to the extent that such authority is transferred by succession of interest. The Government shall have the right to substitute its Lease Contracting Officer (LCO) by notice, without an express delegation by the prior LCO.

2.03 WAIVER OF RESTORATION (OCT 2018)

Lessor shall have no right to require the Government to restore the Premises upon expiration or earlier termination (full or partial) of the Lease, and waives all claims against the Government for waste, damages, or restoration arising from or related to (a) the Government's normal and customary use of the Premises during the term of the Lease (including any extensions thereof), as well as (b) any initial or subsequent alteration to the Premises regardless of whether such alterations are performed by the Lessor or by the Government. At its sole option, the Government may abandon property in the Space following expiration or earlier termination (full or partial) of the Lease, in which case the property will become the property of the Lessor and the Government will be relieved of any liability in connection therewith.

2.04 ~~OPERATING COSTS ADJUSTMENT (JUN 2012)~~ INTENTIONALLY DELETED

2.05 RELOCATION RIGHTS (JUN 2012)

If it becomes necessary in the orderly development of the Airport, Lessor may require the relocation of Premises to other space at the Airport which, in the reasonable judgment of Lessor, is similar and suitable for the purposes for which this Lease is entered as such purposes are set forth herein. Should such relocation be necessary, the Lessor shall provide the Government a minimum of 120 days prior written notice. Lessor shall be responsible for all costs for such relocation, including all costs for moving furniture, office equipment, telephone and data lines, and any other costs associated with replicating necessary operational features provided in the space originally leased. The Airport shall provide such relocated Premises at the same rental rate as the original Premises, unless the new Premises are located in an area for which the Airport charges tenants a lower rate, in which event the parties shall negotiate a reduction in the rental rate.

2.06 RECITALS FOR TRANSPORTATION SECURITY ADMINISTRATION (ON-AIRPORT) (JUN 2012)

- A. The Transportation Security Administration (TSA) is required, pursuant to 49 U.S.C. 40101—The Aviation and Transportation Security Act (ATSA), to oversee security measures at the **Grand Junction Regional Airport**.
- B. TSA is responsible for airline passenger and baggage screening services at the Airport.
- C. The U.S. General Services Administration (GSA), on behalf of TSA, leases certain facilities on the Airport premises for administrative offices and/or break rooms in support of airport passenger and baggage screening services by the TSA.
- D. Space for TSA to screen passengers and baggage is expressly excluded from this Lease.

2.07 ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY (ON-AIRPORT) (MAY 2015)

- A. The Lessor shall provide floor plans for the Space and a valid Certificate of Occupancy (C of O), issued by the local jurisdiction, for the intended use of the Government. If the local jurisdiction does not issue C of O's or if the C of O is not available, the Lessor may satisfy this condition by providing a report prepared by a licensed fire protection engineer that verifies that the Space complies with all applicable local fire protection and life safety codes and ordinances and all fire protection and life safety-related requirements of this Lease.
- B. Neither the Government's acceptance of the Premises for occupancy or acceptance of related appurtenances, nor the Government's occupancy of the Premises, shall be construed as a waiver of any requirement or right of the Government under this lease, or as otherwise prejudicing the Government with respect to any such requirement or right, or as an acceptance of any latent defect or condition.

2.08 ALTERATIONS PRIOR TO ACCEPTANCE (JUN 2012)

The Government's rights stated under the General Clause "Alterations" also apply to initial build-out of the Premises.

2.09 SYSTEM FOR AWARD MANAGEMENT (MAR 2020)

The Offeror must have an active registration in the System for Award Management (SAM), via the Internet at, <https://www.sam.gov/SAM/> prior to the Lease Award Date. Registration must be for purposes of "All Awards" and include completion of all required representations and certifications within SAM. Registration must be active throughout the life of the Lease. To remain active, the Offeror/Lessor is required to update or renew its registration annually. The Government will not process rent payments to Lessors without an active registration in SAM. No change of ownership of the leased Premises will be recognized by the Government until the new owner registers in SAM.

2.10 SECURITY UPGRADES DUE TO IMMEDIATE THREAT (APR 2011)

The Government reserves the right, at its own expense and with its own personnel, to heighten security in the Building under Lease during heightened security conditions due to emergencies such as terrorist attacks, natural disaster, and civil unrest.

SECTION 3 CONSTRUCTION STANDARDS AND SHELL COMPONENTS

3.01 BUILDING SHELL REQUIREMENTS (ON-AIRPORT) (SEP 2013)

A. The Building Shell shall be designed, constructed, and maintained in accordance with the standards set forth herein and completed prior to acceptance of Space. For pricing, fulfillment of all requirements not specifically designated as operating costs or other rent components as indicated shall be deemed included in the Shell Rent.

B. Base structure and Building enclosure components shall be complete. All common areas accessible by the Government, such as lobbies, fire egress corridors and stairwells, elevators, garages, and service areas, shall be complete. Restrooms shall be complete and operational. All newly installed Building shell components, including but not limited to, heating, ventilation, and air conditioning (HVAC), electrical, ceilings, sprinklers, etc., shall be furnished, installed, and coordinated with TIs. Circulation corridors are provided as part of the base Building only on multi-tenanted floors where the corridor is common to more than one tenant. On single tenant floors, only the fire egress corridor(s) necessary to meet code is provided as part of the shell.

3.02 MEANS OF EGRESS (MAY 2015)

A. Prior to occupancy, the Premises and any parking garage areas shall meet or will be upgraded to meet, either the applicable egress requirements in the National Fire Protection Association, Life Safety Code (NFPA 101), or the International Code Council, International Building Code (IBC), each current as of the Lease Award Date, or use an alternative approach or method that achieves an equivalent level of safety deemed acceptable by the Government.

B. The Space shall have unrestricted access to a minimum of two remote exits on each floor of Government occupancy.

C. Interlocking or scissor stairs located on the floor(s) where Space is located shall only count as one exit stair.

D. A fire escape located on the floor(s) where Space is located shall not be counted as an approved exit stair.

E. Doors shall not be locked in the direction of egress unless equipped with special locking hardware in accordance with requirements of NFPA 101 or the IBC.

3.03 AUTOMATIC FIRE SPRINKLER SYSTEM (SEP 2013)

A. Any portion of the Space located below-grade, including parking garage areas, and all areas in a Building referred to as "hazardous areas" (defined in National Fire Protection Association (NFPA) 101) that are located within the entire Building (including non-Government areas) shall be protected by an automatic fire sprinkler system or an equivalent level of safety.

B. For Buildings in which any portion of the Space is on or above the sixth floor, then, at a minimum, the Building up to and including the highest floor of Government occupancy shall be protected by an automatic fire sprinkler system or an equivalent level of safety.

C. For Buildings in which any portion of the Space is on or above the sixth floor, and lease of the Space will result, either individually or in combination with other Government Leases in the Building, in the Government leasing 35,000 or more ANSI/BOMA Office Area SF of Space in the Building, then the entire Building shall be protected throughout by an automatic fire sprinkler system or an equivalent level of safety.

D. Automatic fire sprinkler system(s) shall be installed in accordance with the requirements of NFPA 13, Standard for the Installation of Sprinkler Systems that was in effect on the actual date of installation.

E. Automatic fire sprinkler system(s) shall be maintained in accordance with the requirements of NFPA 25, Standard for the Inspection, Testing, and Maintenance of Water-based Fire Protection Systems (current as of the Lease Award Date).

F. "Equivalent level of safety" means an alternative design or system (which may include automatic fire sprinkler systems), based upon fire protection engineering analysis, which achieves a level of safety equal to or greater than that provided by automatic fire sprinkler systems.

3.04 FIRE ALARM SYSTEM (SEP 2013)

A. A Building-wide fire alarm system shall be installed in the entire Building in which any portion of the Space is located on the 3rd floor or higher.

B. The fire alarm system shall be installed in accordance with the requirements of NFPA 72, National Fire Alarm and Signaling Code that was in effect on the actual date of installation.

C. The fire alarm system shall be maintained in accordance with the requirements of NFPA 72, National Fire Alarm and Signaling Code (current as of the Lease Award Date).

D. The fire alarm system shall transmit all fire alarm signals to the local fire department via any of the following means: directly to the local fire department, to the (911) public communications center, to a central station, to a remote supervising station, or to a proprietary supervising station.

E. If the Building's fire alarm control unit is over 25 years old as of the Lease Award Date, Lessor shall install a new fire alarm system in accordance with the requirements of NFPA 72, National Fire Alarm and Signaling Code (current as of the Lease Award Date), prior to Government acceptance and occupancy of the Space.

3.05 ENERGY INDEPENDENCE AND SECURITY ACT (DEC 2011)

A. The Energy Independence and Security Act (EISA) establishes the following requirements for Government Leases in Buildings that have not earned the ENERGY STAR® Label conferred by the Environmental Protection Agency (EPA) within one year prior to the due date for final proposal revisions ("most recent year").

B. If this Lease was awarded under any of EISA's Section 435 statutory exceptions, the Lessor shall either:

1. Earn the ENERGY STAR® Label prior to acceptance of the Space (or not later than one year after the Lease Award Date of a succeeding or superseding Lease); or
2. Complete energy efficiency and conservation improvements if any, agreed to by Lessor in lieu of earning the ENERGY STAR® Label prior to acceptance of the Space (or not later than one year after the Lease Award Date of a succeeding or superseding Lease).

C. If this Lease was awarded to a Building to be built or to a Building predominantly vacant as of the due date for final proposal revisions and was unable to earn the ENERGY STAR® label for the most recent year (as defined above) due to insufficient occupancy, but was able to demonstrate sufficient evidence of capability to earn the ENERGY STAR® label, then Lessor must earn the ENERGY STAR® label within 18 months after occupancy by the Government.

3.06 ACCESSIBILITY (FEB 2007)

The Building, leased Space, and areas serving the leased Space shall be accessible to persons with disabilities in accordance with the Architectural Barriers Act Accessibility Standard (ABAAS), Appendices C and D to 36 CFR Part 1191 (ABA Chapters 1 and 2, and Chapters 3 through 10). To the extent the standard referenced in the preceding sentence conflicts with local accessibility requirements, the more stringent shall apply.

3.07 MECHANICAL, ELECTRICAL, PLUMBING: GENERAL (APR 2011)

The Lessor shall provide and operate all Building equipment and systems in accordance with applicable technical publications, manuals, and standard procedures. Mains, lines, and meters for utilities shall be provided by the Lessor. Exposed ducts, piping, and conduits are not permitted in office Space.

3.08 RESTROOMS (ON-AIRPORT) (JUN 2012)

Government employees shall have access to all public restroom facilities for men and women in the Airport terminal at all times without additional payment.

3.09 HEATING, VENTILATION, AND AIR CONDITIONING (ON-AIRPORT) (APR 2011)

A. Temperatures shall conform to local commercial equivalent temperature levels and operating practices to maximize tenant satisfaction. These temperatures shall be maintained throughout the leased Premises and service areas, regardless of outside temperatures, during the hours of operation specified in this Lease. The Lessor shall perform any necessary systems start-up required to meet the commercially equivalent temperature levels prior to the first hour of each day's operation. At all times, humidity shall be maintained below 60 percent relative humidity.

B. The Lessor shall conduct HVAC system balancing after all HVAC system alterations during the term of the Lease and shall make a reasonable attempt to schedule major construction outside of office hours.

C. Normal HVAC systems maintenance shall not disrupt tenant operations.

3.10 TELECOMMUNICATIONS: LOCAL EXCHANGE ACCESS (ON-AIRPORT) (SEP 2013)

A. The Government may elect to contract its own telecommunications (voice, data, video, Internet, or other emerging technologies) service in the Space. The Government may contract with one or more parties to have inside wiring (or other transmission medium) and telecommunications equipment installed.

B. The Lessor shall allow the Government's designated telecommunications providers access to utilize existing Building wiring to connect its services to the Government's Space. If the existing Building wiring is insufficient to handle the transmission requirements of the Government's designated telecommunications providers, the Lessor shall provide access from the point of entry into the Building to the Government's floor Space, subject to any inherent limitations in the pathway involved.

C. The Lessor shall allow the Government's designated telecommunications providers to affix telecommunications antennas (high frequency, mobile, microwave, satellite, or other emerging technologies), subject to weight and wind load conditions, to roof, parapet, or Building envelope as required.

SECTION 4 UTILITIES, SERVICES, AND OBLIGATIONS DURING THE LEASE TERM

4.01 SERVICES, UTILITIES, AND MAINTENANCE (ON-AIRPORT) (OCT 2020)

The Lessor is responsible for providing all utilities necessary for base building and tenant operations and all associated costs are included as a part of the established rental rates. The Lessor shall follow routine cleaning and disinfecting requirements in Section 5.01. The following services, utilities, and maintenance shall be provided by the Lessor as part of the rental consideration (check all that apply):

<input checked="" type="checkbox"/> HEAT	<input checked="" type="checkbox"/> TRASH REMOVAL	<input checked="" type="checkbox"/> ELEVATOR SERVICE	<input checked="" type="checkbox"/> INITIAL & REPLACEMENT LAMPS, TUBES & BALLASTS	<input checked="" type="checkbox"/> OTHER (Specify below)
<input checked="" type="checkbox"/> ELECTRICITY	<input checked="" type="checkbox"/> CHILLED DRINKING WATER	<input checked="" type="checkbox"/> WINDOW WASHING	<input checked="" type="checkbox"/> PAINTING FREQUENCY	<u>See Section 5.02</u>
<input checked="" type="checkbox"/> POWER (Special Equip.)	<input checked="" type="checkbox"/> AIR CONDITIONING	Frequency <u>as needed</u>	Space <u>every 5 years</u>	
<input checked="" type="checkbox"/> WATER (Hot & Cold)	<input checked="" type="checkbox"/> RESTROOM SUPPLIES	<input checked="" type="checkbox"/> CARPET CLEANING	Public Areas <u>as needed</u>	
<input checked="" type="checkbox"/> SNOW REMOVAL	<input checked="" type="checkbox"/> JANITORIAL SERV. & SUPP.	Frequency <u>1 x annually</u>		

The Lessor shall have an onsite building superintendent or a locally designated representative available to promptly respond to deficiencies, and immediately address all emergency situations.

4.02 PROVISION OF SERVICES, ACCESS, AND NORMAL HOURS FOR AIRPORT OCCUPANCIES (SEP 2013)

The Government shall have access to the Premises and its Appurtenant Areas at all times without additional payment, including the use, during other than normal hours, of necessary services and utilities such as elevators, restrooms, lights, and electric power. Cleaning shall be performed after tenant working hours unless daytime cleaning is specified as a special requirement elsewhere in this Lease. Janitorial Services shall not be required on weekends or Federal holidays. Services, maintenance, and utilities shall be provided from **3:45 AM to 7:00 PM**,

4.03 MAINTENANCE AND TESTING OF SYSTEMS (SEP 2013)

A. The Lessor is responsible for the total maintenance and repair of the leased Premises. Such maintenance and repairs include the site and private access roads. All equipment and systems shall be maintained to provide reliable, energy efficient service without unusual interruption, disturbing noises, exposure to fire or safety hazards, uncomfortable drafts, excessive air velocities, or unusual emissions of dirt. The Lessor's maintenance responsibility includes initial supply and replacement of all supplies, materials, and equipment necessary for such maintenance. Maintenance, testing, and inspection of appropriate equipment and systems shall be done in accordance with current applicable codes, and inspection certificates shall be displayed as appropriate. Copies of all records in this regard shall be forwarded to the Government's designated representative.

B. At the Lessor's expense, the Government reserves the right to require documentation of proper operations, inspection, testing, and maintenance of fire protection systems, such as, but not limited to, fire alarm, fire sprinkler, standpipes, fire pump, emergency lighting, illuminated exit signs, emergency generator, prior to occupancy to ensure proper operation. These tests shall be witnessed by the Government's designated representative.

4.04 RECYCLING (ON-AIRPORT) (JUN 2012)

Where state or local law, code, or ordinance requires recycling programs (including mercury-containing lamps) for the Space to be provided pursuant to this Lease, the Lessor shall comply with such state and local law, code, or ordinance in accordance with GSA Form 3517, General Clauses, 552.270-8, *Compliance with Applicable Law*. During the lease term, the Lessor agrees, upon request, to provide the Government with additional information concerning recycling programs maintained in the Building and in the Leased Space.

4.05 RANDOLPH-SHEPPARD COMPLIANCE (SEP 2013)

During the term of the Lease, the Lessor may not establish vending facilities within the leased Space that will compete with any Randolph-Sheppard vending facilities.

4.06 ~~SAFEGUARDING AND DISSEMINATION OF CONTROLLED UNCLASSIFIED INFORMATION (CUI) BUILDING INFORMATION (FEB 2020) INTENTIONALLY DELETED~~

4.07 INDOOR AIR QUALITY (OCT 2019)

A. The Lessor shall control airborne contaminants at the source and/or operate the Space in such a manner that indoor air quality action limits identified in the PBS Desk Guide for Indoor Air Quality Management (Companion to GSA Order PBS 1000.8), OSHA regulatory limits, and generally accepted consensus standards are not exceeded. .

B. The Lessor shall avoid the use of products containing toxic, hazardous, carcinogenic, flammable, or corrosive ingredients as determined from the product label or manufacturer's safety data sheet. The Lessor shall use available odor-free or low odor products when applying paints, glues, lubricants, and similar wet products. When such equivalent products are not available, lessor shall use the alternate products outside normal working hours. Except in an emergency, the Lessor shall provide at least 72 hours advance notice to the Government before applying chemicals or products with noticeable odors in occupied Spaces and shall adequately ventilate those Spaces during and after application.

C. The Lessor shall serve as first responder to any occupant complaints about indoor air quality (IAQ). The Lessor shall promptly investigate such complaints and implement the necessary controls to address each complaint. Investigations shall include testing as needed, to ascertain the source and severity of the complaint.

D. The Government reserves the right to conduct independent IAQ assessments and detailed studies in Space that it occupies, as well as in space serving the Space (e.g., common use areas, mechanical rooms, HVAC systems, etc.). The Lessor shall assist the Government in its assessments and detailed studies by:

1. Making available information on Building operations and Lessor activities;
2. Providing access to Space for assessment and testing, if required; and
3. Implementing corrective measures required by the LCO. The Lessor shall take corrective action to correct any tests or measurements that do not meet GSA policy action limits in the PBS Desk Guide for Indoor Air Quality Management (Companion to GSA Order PBS 1000.8), OSHA regulatory limits and generally accepted consensus standards.

E. The Lessor shall provide to the Government safety data sheets (SDS) upon request for the following products prior to their use during the term of the Lease: adhesives, caulking, sealants, insulating materials, fireproofing or firestopping materials, paints, carpets, floor and wall patching or leveling materials, lubricants, clear finish for wood surfaces, janitorial cleaning products, pesticides, rodenticides, and herbicides. The Government reserves the right to review such products used by the Lessor within the Space, common building areas, ventilation systems and zones serving the Space, and the area above suspended ceilings and engineering space in the same ventilation zone as the Space.

F. The Lessor shall use high efficiency (HEPA) filtration vacuums for cleaning and minimum MERV 10 rated ventilation system filtration whenever feasible.

G. The Lessor is encouraged to comply with best practices outlined in Appendix D- Indoor Air Quality in GSA Leased Facilities (Best Practices) within the PBS Desk Guide for Indoor Air Quality Management (Companion to GSA Order PBS 1000.8).

4.08 HAZARDOUS MATERIALS (ON-AIRPORT) (OCT 2018)

The leased Space shall be free of hazardous materials, hazardous substances, and hazardous wastes, as defined by and according to applicable Federal, state, and local environmental regulations including, but not limited to, the following:

A. The leased Space shall be free of all asbestos containing materials, except undamaged asbestos flooring in the Space or undamaged boiler or pipe insulation outside the Space, in which case an asbestos management program conforming to EPA guidance shall be implemented.

B. The Lessor shall provide Space to the Government that is free from ongoing water leaks or moisture infiltration. The Space and ventilation zones serving the Space shall also be free of visible mold or actionable airborne mold.

1. Actionable mold is either visible mold or airborne mold of types and concentrations in excess of that found in the local outdoor air or non-problematic control areas elsewhere in the same building, whichever is lower. The Lessor shall safely remediate all actionable mold in accordance with sub-paragraph B.2 below

2. The Lessor shall be responsible for conducting the remediation in accordance with the relevant provisions of the document entitled "Mold Remediation in Schools and Commercial Buildings" (EPA 402-K-01-001, September 2008), published by EPA, as same may be amended or revised from time to time, and any other applicable Federal, state, or local laws, regulatory standards, and guidelines.

3. The Lessor acknowledges and agrees that the Government shall have a reasonable opportunity to inspect the leased Space after conclusion of the remediation. If the results of the Government's inspection indicate that the remediation does not comply with the plan or any other applicable Federal, state, or local laws, regulatory standards, or guidelines, the Lessor, at its sole cost, expense, and risk, shall immediately take all further actions necessary to bring the remediation into compliance.

4. If the Lessor fails to exercise due diligence, or is otherwise unable to remediate the actionable mold, the Government may implement a corrective action program and deduct its costs from the rent.

4.09 OCCUPANT EMERGENCY PLANS (OCT 2020)

The Lessor is required to cooperate, participate and comply with the development and implementation of the Government's Occupant Emergency Plan (OEP) and a supplemental Shelter-in Place (SIP) Plan. Periodically, the Government may request that the Lessor assist in reviewing and revising its OEP and SIP. The Plan, among other things, will include evacuation procedures and an annual emergency evacuation drill, emergency shutdown of air intake procedures, and emergency notification procedures for the Lessor's Building engineer or manager, Building security, local emergency personnel, and Government agency personnel.

SECTION 5 ADDITIONAL TERMS AND CONDITIONS

5.01 ~~ROUTINE CLEANING AND DISINFECTING SERVICES (ON-AIRPORT) (OCT 2020)~~ INTENTIONALLY DELETED

5.02 JANITORIAL SERVICES

The Lessor shall maintain the Premises and all areas of the Property to which the Government has routine access in a clean condition and shall provide supplies and equipment for the term of the Lease. The following schedule describes the level of services intended. Performance will be based on the LCO's evaluation of results, not the frequency or method of performance.

- A. Daily
- Empty all waste baskets and replace liners
 - Clean Bathroom and restock as needed
 - Replenish paper towels and soap in kitchen area
- B. Weekly
- Dust horizontal, low and high surfaces up to 8 feet, including windowsills
 - Dust all exposed filing cabinets, bookcases and shelves
 - Sweep and spot clean hard floors
 - Vacuum carpet areas
 - Sweep and spot clean hard floors (twice weekly, M-F)
 - Damp mop hard floor with sanitizer
 - Clean outside of microwave and fridge
 - Wipe down TSO breakroom area counters, sink, and tables with sanitizer (twice weekly, M-F)
- C. Twice Annually
- Top to bottom cleaning – Panels, walls, light fixtures, all exposed horizontal surfaces
 - VCT Tile – Power scrub and rinse extract tile – Nov and Apr
 - VCT Tile – Refinish floor with EPIC urethane coating
 - Vacuum upholstered chairs and wipe down non-upholstered chairs
 - Steam clean upholstered chairs
 - Clean interior/exterior windows
- D. Annually
- Shampoo carpets in all offices
- E. As Needed
- Replace soap and paper towels in kitchen and restrooms
 - Replace lightbulbs
 - Spot clean walls and doors

5.03 AIRPORT DE-FEDERALIZED

The Government reserves the right to terminate the lease with sixty (60) days written notice to the Lessor at any point during the term of the lease, including the firm term, should the airport become de-federalized.

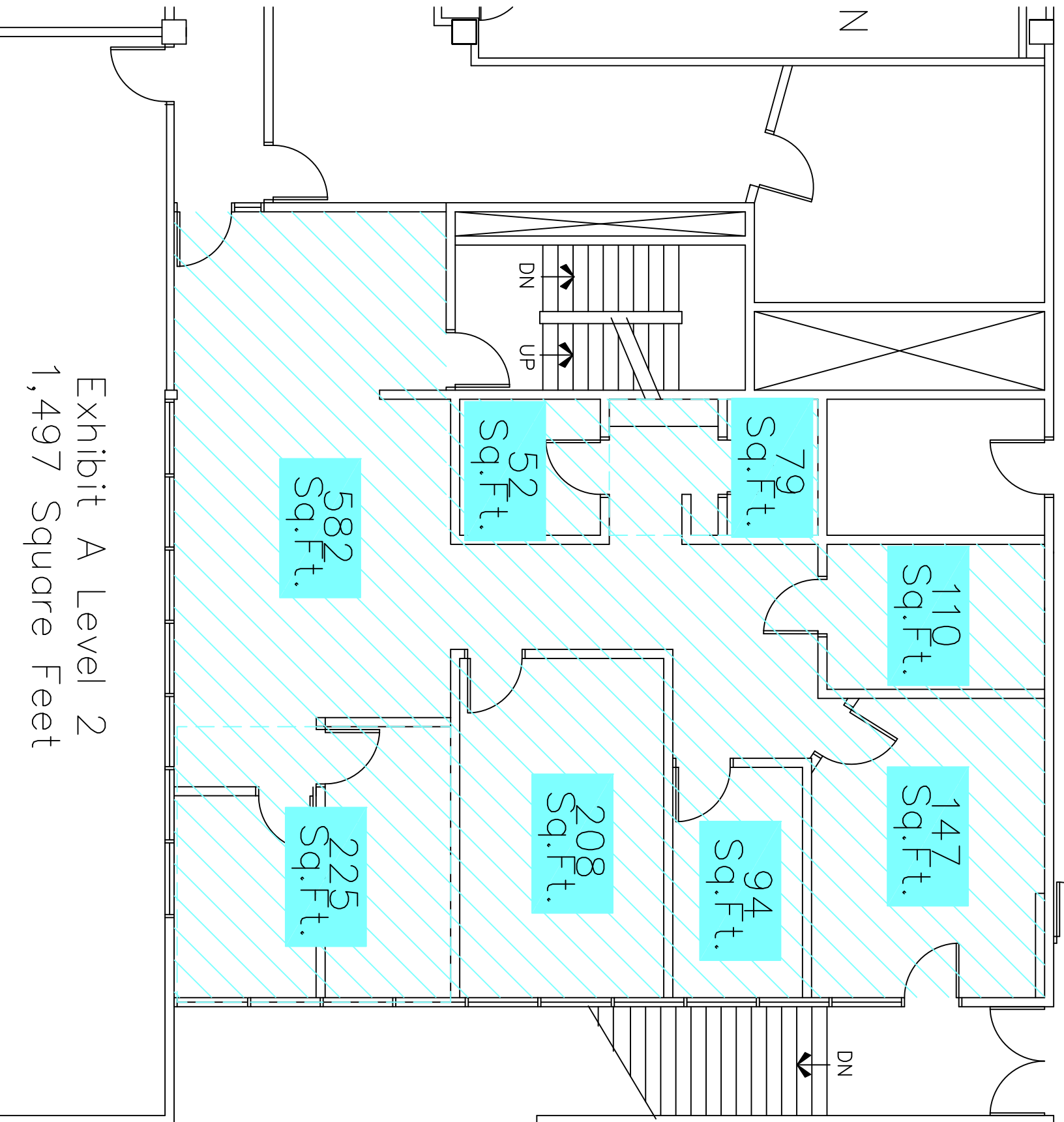


Exhibit A Level 2
1,497 Square Feet

CONFERENCE
ROOM
134

190
Sq.Ft.

146
Sq.Ft.

150
Sq.Ft.

154
Sq.Ft.

231
Sq.Ft.

54
Sq.Ft.

107
Sq.Ft.

161
Sq.Ft.

198
Sq.Ft.

21
Sq.Ft.

218
Sq.Ft.

130
Sq.Ft.

260
Sq.Ft.

120
Sq.Ft.

484
Sq.Ft.

54
Sq.Ft.

140
Sq.Ft.

134
Sq.Ft.

68
Sq.Ft.

110
Sq.Ft.

LOBBY

OPEN TO BELOW

Exhibit A Level 3
3130 Square Feet

TSA
Leased
Space

DN

GENERAL CLAUSES
(Acquisition of Leasehold Interests in Real Property)

CATEGORY	CLAUSE NO.	48 CFR REF.	CLAUSE TITLE
GENERAL	1		SUBLETTING AND ASSIGNMENT
	2	552.270-11	SUCCESSORS BOUND
	3	552.270-23	SUBORDINATION, NON-DISTURBANCE AND ATTORNMEN
	4	552.270-24	STATEMENT OF LEASE
	5	552.270-25	SUBSTITUTION OF TENANT AGENCY
	6	552.270-26	NO WAIVER
	7		INTEGRATED AGREEMENT
	8	552.270-28	MUTUALITY OF OBLIGATION
PERFORMANCE	9		DELIVERY AND CONDITION
	10		DEFAULT BY LESSOR
	11	552.270-19	PROGRESSIVE OCCUPANCY
	12		MAINTENANCE OF THE PROPERTY, RIGHT TO INSPECT
	13		FIRE AND CASUALTY DAMAGE
	14		COMPLIANCE WITH APPLICABLE LAW
	15	552.270-12	ALTERATIONS
	16		ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY
PAYMENT	17	52.204-13	SYSTEM FOR AWARD MANAGEMENT MAINTENANCE
	18	552.270-31	PROMPT PAYMENT
	19	52.232-23	ASSIGNMENT OF CLAIMS
	20		PAYMENT
	21	52.232-33	PAYMENT BY ELECTRONIC FUNDS TRANSFER—SYSTEM FOR AWARD MANAGEMENT
STANDARDS OF CONDUCT	22	52.203-13	CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT
	23	552.270-32	COVENANT AGAINST CONTINGENT FEES
	24	52-203-7	ANTI-KICKBACK PROCEDURES
	25	52-223-6	DRUG-FREE WORKPLACE
	26	52.203-14	DISPLAY OF HOTLINE POSTER(S)
ADJUSTMENTS	27	552.270-30	PRICE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY
	28	52.215-10	PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA
	29	552.270-13	PROPOSALS FOR ADJUSTMENT
	30		CHANGES
AUDITS	31	552.215-70	EXAMINATION OF RECORDS BY GSA
	32	52.215-2	AUDIT AND RECORDS—NEGOTIATION
DISPUTES	33	52.233-1	DISPUTES

LESSOR: _____ GOVERNMENT: _____

LABOR STANDARDS	34	52.222-26	EQUAL OPPORTUNITY
	35	52.222-21	PROHIBITION OF SEGREGATED FACILITIES
	36	52.219-28	POST-AWARD SMALL BUSINESS PROGRAM REREPRESENTATION
	37	52.222-35	EQUAL OPPORTUNITY FOR VETERANS
	38	52.222-36	EQUAL OPPORTUNITY FOR WORKERS WITH DISABILITIES
	39	52.222-37	EMPLOYMENT REPORTS ON VETERANS
SUBCONTRACTING	40	52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT
	41	52.215-12	SUBCONTRACTOR CERTIFIED COST OR PRICING DATA
	42	52.219-8	UTILIZATION OF SMALL BUSINESS CONCERNS
	43	52.219-9	SMALL BUSINESS SUBCONTRACTING PLAN
	44	52.219-16	LIQUIDATED DAMAGES—SUBCONTRACTING PLAN
	45	52.204-10	REPORTING EXECUTIVE COMPENSATION AND FIRST- TIER SUBCONTRACT AWARDS
OTHER	46	52.204-25	PROHIBITION ON CONTRACTING FOR CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT
	47	52.204-19	INCORPORATION BY REFERENCE OF REPRESENTATIONS AND CERTIFICATIONS

The information collection requirements contained in this solicitation/contract that are not required by regulation have been approved by the Office of Management and Budget (OMB) pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

LESSOR: _____ GOVERNMENT: _____

GENERAL CLAUSES
(Acquisition of Leasehold Interests in Real Property)

1. SUBLETTING AND ASSIGNMENT (JAN 2011)

The Government may sublet any part of the premises but shall not be relieved from any obligations under this lease by reason of any such subletting. The Government may at any time assign this lease, and be relieved from all obligations to Lessor under this lease excepting only unpaid rent and other liabilities, if any, that have accrued to the date of said assignment. Any subletting or assignment shall be subject to prior written consent of Lessor, which shall not be unreasonably withheld.

2. 552.270-11 SUCCESSORS BOUND (SEP 1999)

This lease shall bind, and inure to the benefit of, the parties and their respective heirs, executors, administrators, successors, and assigns.

3. 552.270-23 SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT (SEP 1999)

(a) Lessor warrants that it holds such title to or other interest in the premises and other property as is necessary to the Government's access to the premises and full use and enjoyment thereof in accordance with the provisions of this lease. Government agrees, in consideration of the warranties and conditions set forth in this clause, that this lease is subject and subordinate to any and all recorded mortgages, deeds of trust and other liens now or hereafter existing or imposed upon the premises, and to any renewal, modification or extension thereof. It is the intention of the parties that this provision shall be self-operative and that no further instrument shall be required to effect the present or subsequent subordination of this lease. Government agrees, however, within twenty (20) business days next following the Contracting Officer's receipt of a written demand, to execute such instruments as Lessor may reasonably request to evidence further the subordination of this lease to any existing or future mortgage, deed of trust or other security interest pertaining to the premises, and to any water, sewer or access easement necessary or desirable to serve the premises or adjoining property owned in whole or in part by Lessor if such easement does not interfere with the full enjoyment of any right granted the Government under this lease.

(b) No such subordination, to either existing or future mortgages, deeds of trust or other lien or security instrument shall operate to affect adversely any right of the Government under this lease so long as the Government is not in default under this lease. Lessor will include in any future mortgage, deed of trust or other security instrument to which this lease becomes subordinate, or in a separate non-disturbance agreement, a provision to the foregoing effect. Lessor warrants that the holders of all notes or other obligations secured by existing mortgages, deeds of trust or other security instruments have consented to the provisions of this clause, and agrees to provide true copies of all such consents to the Contracting Officer promptly upon demand.

(c) In the event of any sale of the premises or any portion thereof by foreclosure of the lien of any such mortgage, deed of trust or other security instrument, or the giving of a deed in lieu of foreclosure, the Government will be deemed to have attorned to any purchaser, purchasers, transferee or transferees of the premises or any portion thereof and its or their successors and assigns, and any such purchasers and transferees will be deemed to have assumed all obligations of the Lessor under this lease, so as to establish direct privity of estate and contract between Government and such purchasers or transferees, with the same force, effect and relative priority in time and right as if the lease had initially been entered into between such purchasers or transferees and the Government; provided, further, that the Contracting Officer and such purchasers or transferees shall, with reasonable promptness following any such sale or deed delivery in lieu of foreclosure, execute all such revisions to this lease, or other writings, as shall be necessary to document the foregoing relationship.

(d) None of the foregoing provisions may be deemed or construed to imply a waiver of the Government's rights as a sovereign.

LESSOR: _____ GOVERNMENT: _____

4. 552.270-24 STATEMENT OF LEASE (SEP 1999)

(a) The Contracting Officer will, within thirty (30) days next following the Contracting Officer's receipt of a joint written request from Lessor and a prospective lender or purchaser of the building, execute and deliver to Lessor a letter stating that the same is issued subject to the conditions stated in this clause and, if such is the case, that (1) the lease is in full force and effect; (2) the date to which the rent and other charges have been paid in advance, if any; and (3) whether any notice of default has been issued.

(b) Letters issued pursuant to this clause are subject to the following conditions:

(1) That they are based solely upon a reasonably diligent review of the Contracting Officer's lease file as of the date of issuance;

(2) That the Government shall not be held liable because of any defect in or condition of the premises or building;

(3) That the Contracting Officer does not warrant or represent that the premises or building comply with applicable Federal, State and local law; and

(4) That the Lessor, and each prospective lender and purchaser are deemed to have constructive notice of such facts as would be ascertainable by reasonable pre-purchase and pre-commitment inspection of the Premises and Building and by inquiry to appropriate Federal, State and local Government officials.

5. 552.270-25 SUBSTITUTION OF TENANT AGENCY (SEP 1999)

The Government may, at any time and from time to time, substitute any Government agency or agencies for the Government agency or agencies, if any, named in the lease.

6. 552.270-26 NO WAIVER (SEP 1999)

No failure by either party to insist upon the strict performance of any provision of this lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial rent or other performance by either party during the continuance of any such breach shall constitute a waiver of any such breach of such provision.

7. INTEGRATED AGREEMENT (JUN 2012)

This Lease, upon execution, contains the entire agreement of the parties and no prior written or oral agreement, express or implied, shall be admissible to contradict the provisions of the Lease. Except as expressly attached to and made a part of the Lease, neither the Request for Lease Proposals nor any pre-award communications by either party shall be incorporated in the Lease.

8. 552.270-28 MUTUALITY OF OBLIGATION (SEP 1999)

The obligations and covenants of the Lessor, and the Government's obligation to pay rent and other Government obligations and covenants, arising under or related to this Lease, are interdependent. The Government may, upon issuance of and delivery to Lessor of a final decision asserting a claim against Lessor, set off such claim, in whole or in part, as against any payment or payments then or thereafter due the Lessor under this lease. No setoff pursuant to this clause shall constitute a breach by the Government of this lease.

9. DELIVERY AND CONDITION (JAN 2011)

(a) Unless the Government elects to have the space occupied in increments, the space must be delivered ready for occupancy as a complete unit.

(b) The Government may elect to accept the Space notwithstanding the Lessor's failure to deliver the Space substantially complete; if the Government so elects, it may reduce the rent payments.

LESSOR: _____ GOVERNMENT: _____

10. DEFAULT BY LESSOR (APR 2012)

(a) The following conditions shall constitute default by the Lessor, and shall give rise to the following rights and remedies for the Government:

(1) Prior to Acceptance of the Premises. Failure by the Lessor to diligently perform all obligations required for Acceptance of the Space within the times specified, without excuse, shall constitute a default by the Lessor. Subject to provision of notice of default to the Lessor, and provision of a reasonable opportunity for the Lessor to cure its default, the Government may terminate the Lease on account of the Lessor's default.

(2) After Acceptance of the Premises. Failure by the Lessor to perform any service, to provide any item, or satisfy any requirement of this Lease, without excuse, shall constitute a default by the Lessor. Subject to provision of notice of default to the Lessor, and provision of a reasonable opportunity for the Lessor to cure its default, the Government may perform the service, provide the item, or obtain satisfaction of the requirement by its own employees or contractors. If the Government elects to take such action, the Government may deduct from rental payments its costs incurred in connection with taking the action. Alternatively, the Government may reduce the rent by an amount reasonably calculated to approximate the cost or value of the service not performed, item not provided, or requirement not satisfied, such reduction effective as of the date of the commencement of the default condition.

(3) Grounds for Termination. The Government may terminate the Lease if:

(i) The Lessor's default persists notwithstanding provision of notice and reasonable opportunity to cure by the Government, or

(ii) The Lessor fails to take such actions as are necessary to prevent the recurrence of default conditions,

and such conditions (i) or (ii) substantially impair the safe and healthful occupancy of the Premises, or render the Space unusable for its intended purposes.

(4) Excuse. Failure by the Lessor to timely deliver the Space or perform any service, provide any item, or satisfy any requirement of this Lease shall not be excused if its failure in performance arises from:

(i) Circumstances within the Lessor's control;

(ii) Circumstances about which the Lessor had actual or constructive knowledge prior to the Lease Award Date that could reasonably be expected to affect the Lessor's capability to perform, regardless of the Government's knowledge of such matters;

(iii) The condition of the Property;

(iv) The acts or omissions of the Lessor, its employees, agents or contractors; or

(v) The Lessor's inability to obtain sufficient financial resources to perform its obligations.

(5) The rights and remedies specified in this clause are in addition to any and all remedies to which the Government may be entitled as a matter of law.

11. 552.270-19 PROGRESSIVE OCCUPANCY (SEP 1999)

The Government shall have the right to elect to occupy the space in partial increments prior to the substantial completion of the entire leased premises, and the Lessor agrees to schedule its work so as to deliver the space incrementally as elected by the Government. The Government shall pay rent commencing with the first business day following substantial completion of the entire leased premise unless the Government has elected to occupy the leased premises incrementally. In case of incremental occupancy, the Government shall pay rent pro rata upon the first business day following substantial

LESSOR: _____ GOVERNMENT: _____

completion of each incremental unit. Rental payments shall become due on the first workday of the month following the month in which an increment of space is substantially complete, except that should an increment of space be substantially completed after the fifteenth day of the month, the payment due date will be the first workday of the second month following the month in which it was substantially complete. The commencement date of the firm lease term will be a composite determined from all rent commencement dates.

12. MAINTENANCE OF THE PROPERTY, RIGHT TO INSPECT (APR 2015)

The Lessor shall maintain the Property, including the building, building systems, and all equipment, fixtures, and appurtenances furnished by the Lessor under this Lease, in good repair and tenantable condition so that they are suitable in appearance and capable of supplying such heat, air conditioning, light, ventilation, safety systems, access and other things to the premises, without reasonably preventable or recurring disruption, as is required for the Government's access to, occupancy, possession, use and enjoyment of the premises as provided in this lease. For the purpose of so maintaining the premises, the Lessor may at reasonable times enter the premises with the approval of the authorized Government representative in charge. Upon request of the Lease Contracting Officer (LCO), the Lessor shall provide written documentation that building systems have been properly maintained, tested, and are operational within manufacturer's warranted operating standards. The Lessor shall maintain the Premises in a safe and healthful condition according to applicable OSHA standards and all other requirements of this Lease, including standards governing indoor air quality, existence of mold and other biological hazards, presence of hazardous materials, etc. The Government shall have the right, at any time after the Lease Award Date and during the term of the Lease, to inspect all areas of the Property to which access is necessary for the purpose of determining the Lessor's compliance with this clause.

13. FIRE AND CASUALTY DAMAGE (JUN 2016)

If the building in which the Premises are located is totally destroyed or damaged by fire or other casualty, this Lease shall immediately terminate. If the building in which the Premises are located are only partially destroyed or damaged, so as to render the Premises untenable, or not usable for their intended purpose, the Lessor shall have the option to elect to repair and restore the Premises or terminate the Lease. The Lessor shall be permitted a reasonable amount of time, not to exceed **270 days** from the event of destruction or damage, to repair or restore the Premises, provided that the Lessor submits to the Government a reasonable schedule for repair of the Premises within **60 days** of the event of destruction or damage. If the Lessor fails to timely submit a reasonable schedule for completing the work, the Government may elect to terminate the Lease effective as of the date of the event of destruction or damage. If the Lessor elects to repair or restore the Premises, but fails to repair or restore the Premises within **270 days** from the event of destruction or damage, or fails to diligently pursue such repairs or restoration so as to render timely completion commercially impracticable, the Government may terminate the Lease effective as of the date of the destruction or damage. During the time that the Premises are unoccupied, rent shall be abated. Termination of the Lease by either party under this clause shall not give rise to liability for either party.

Nothing in this lease shall be construed as relieving Lessor from liability for damage to, or destruction of, property of the United States of America caused by the willful or negligent act or omission of Lessor.

14. COMPLIANCE WITH APPLICABLE LAW (JAN 2011)

Lessor shall comply with all Federal, state and local laws applicable to its ownership and leasing of the Property, including, without limitation, laws applicable to the construction, ownership, alteration or operation of all buildings, structures, and facilities located thereon, and obtain all necessary permits, licenses and similar items at its own expense. The Government will comply with all Federal, State and local laws applicable to and enforceable against it as a tenant under this lease, provided that nothing in this Lease shall be construed as a waiver of the sovereign immunity of the Government. This Lease shall be governed by Federal law.

15. 552.270-12 ALTERATIONS (SEP 1999)

The Government shall have the right during the existence of this lease to make alterations, attach fixtures, and erect structures or signs in or upon the premises hereby leased, which fixtures, additions or structures so placed in, on, upon, or attached to the said premises shall be and remain the property of the Government and may be removed or otherwise disposed of by the Government. If the lease contemplates that the Government is the sole occupant of the building, for

LESSOR: _____ GOVERNMENT: _____

purposes of this clause, the leased premises include the land on which the building is sited and the building itself. Otherwise, the Government shall have the right to tie into or make any physical connection with any structure located on the property as is reasonably necessary for appropriate utilization of the leased space.

16. ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY (APR 2015)

(a) Ten (10) working days prior to the completion of the Space, the Lessor shall issue written notice to the Government to schedule the inspection of the Space for acceptance. The Government shall accept the Space only if the construction of building shell and TIs conforming to this Lease and the approved DIDs is substantially complete, and a Certificate of Occupancy has been issued as set forth below.

(b) The Space shall be considered substantially complete only if the Space may be used for its intended purpose and completion of remaining work will not unreasonably interfere with the Government's enjoyment of the Space. Acceptance shall be final and binding upon the Government with respect to conformance of the completed TIs to the approved DIDs, with the exception of items identified on a punchlist generated as a result of the inspection, concealed conditions, latent defects, or fraud, but shall not relieve the Lessor of any other Lease requirements.

(c) The Lessor shall provide a valid Certificate of Occupancy, issued by the local jurisdiction, for the intended use of the Government. If the local jurisdiction does not issue Certificates of Occupancy or if the Certificate of Occupancy is not available, the Lessor may satisfy this condition by providing a report prepared by a licensed fire protection engineer that indicates that the Space and Building are compliant with all applicable local codes and ordinances and all fire protection and life safety-related requirements of this Lease to ensure an acceptable level of safety is provided. Under such circumstances, the Government shall only accept the Space without a Certificate of Occupancy if a licensed fire protection engineer determines that the offered space is compliant with all applicable local codes and ordinances and fire protection and life safety-related requirements of this Lease.

17. 52.204-13 SYSTEM FOR AWARD MANAGEMENT MAINTENANCE (OCT 2018)

This clause is incorporated by reference.

18. 552.270-31 PROMPT PAYMENT (JUN 2011)

The Government will make payments under the terms and conditions specified in this clause. Payment shall be considered as being made on the day a check is dated or an electronic funds transfer is made. All days referred to in this clause are calendar days, unless otherwise specified.

(a) *Payment due date—*

(1) *Rental payments.* Rent shall be paid monthly in arrears and will be due on the first workday of each month, and only as provided for by the lease.

(i) When the date for commencement of rent falls on the 15th day of the month or earlier, the initial monthly rental payment under this contract shall become due on the first workday of the month following the month in which the commencement of the rent is effective.

(ii) When the date for commencement of rent falls after the 15th day of the month, the initial monthly rental payment under this contract shall become due on the first workday of the second month following the month in which the commencement of the rent is effective.

(2) *Other payments.* The due date for making payments other than rent shall be the later of the following two events:

(i) The 30th day after the designated billing office has received a proper invoice from the Contractor.

LESSOR: _____ GOVERNMENT: _____

(ii) The 30th day after Government acceptance of the work or service. However, if the designated billing office fails to annotate the invoice with the actual date of receipt, the invoice payment due date shall be deemed to be the 30th day after the Contractor's invoice is dated, provided a proper invoice is received and there is no disagreement over quantity, quality, or Contractor compliance with contract requirements.

(b) *Invoice and inspection requirements for payments other than rent.*

(1) The Contractor shall prepare and submit an invoice to the designated billing office after completion of the work. A proper invoice shall include the following items:

(i) Name and address of the Contractor.

(ii) Invoice date.

(iii) Lease number.

(iv) Government's order number or other authorization.

(v) Description, price, and quantity of work or services delivered.

(vi) Name and address of Contractor official to whom payment is to be sent (must be the same as that in the remittance address in the lease or the order).

(vii) Name (where practicable), title, phone number, and mailing address of person to be notified in the event of a defective invoice.

(2) The Government will inspect and determine the acceptability of the work performed or services delivered within seven days after the receipt of a proper invoice or notification of completion of the work or services unless a different period is specified at the time the order is placed. If actual acceptance occurs later, for the purpose of determining the payment due date and calculation of interest, acceptance will be deemed to occur on the last day of the seven day inspection period. If the work or service is rejected for failure to conform to the technical requirements of the contract, the seven days will be counted beginning with receipt of a new invoice or notification. In either case, the Contractor is not entitled to any payment or interest unless actual acceptance by the Government occurs.

(c) *Interest Penalty.*

(1) An interest penalty shall be paid automatically by the Government, without request from the Contractor, if payment is not made by the due date.

(2) The interest penalty shall be at the rate established by the Secretary of the Treasury under Section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611) that is in effect on the day after the due date. This rate is referred to as the "Renegotiation Board Interest Rate," and it is published in the **Federal Register** semiannually on or about January 1 and July 1. The interest penalty shall accrue daily on the payment amount approved by the Government and be compounded in 30-day increments inclusive from the first day after the due date through the payment date.

(3) Interest penalties will not continue to accrue after the filing of a claim for such penalties under the clause at 52.233-1, Disputes, or for more than one year. Interest penalties of less than \$1.00 need not be paid.

(4) Interest penalties are not required on payment delays due to disagreement between the Government and Contractor over the payment amount or other issues involving contract compliance or on amounts temporarily withheld or retained in accordance with the terms of the contract. Claims involving disputes, and any interest that may be payable, will be resolved in accordance with the clause at 52.233-1, Disputes.

(d) *Overpayments.* If the Lessor becomes aware of a duplicate payment or that the Government has otherwise overpaid on a payment, the Contractor shall—

LESSOR: _____ GOVERNMENT: _____

(1) Return the overpayment amount to the payment office cited in the contract along with a description of the overpayment including the—

(i) Circumstances of the overpayment (e.g., duplicate payment, erroneous payment, liquidation errors, date(s) of overpayment);

(ii) Affected lease number; (iii) Affected lease line item or sub-line item, if applicable; and

(iii) Lessor point of contact.

(2) Provide a copy of the remittance and supporting documentation to the Contracting Officer.

19. 52.232-23 ASSIGNMENT OF CLAIMS (MAY 2014)

(Applicable to leases over the micro-purchase threshold.)

(a) The Contractor, under the Assignment of Claims Act, as amended, [31 U.S.C. 3727](#), [41 U.S.C. 6305](#) (hereafter referred to as “the Act”), may assign its rights to be paid amounts due or to become due as a result of the performance of this contract to a bank, trust company, or other financing institution, including any Federal lending agency. The assignee under such an assignment may thereafter further assign or reassign its right under the original assignment to any type of financing institution described in the preceding sentence.

(b) Any assignment or reassignment authorized under the Act and this clause shall cover all unpaid amounts payable under this contract, and shall not be made to more than one party, except that an assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in the financing of this contract.

(c) The Contractor shall not furnish or disclose to any assignee under this contract any classified document (including this contract) or information related to work under this contract until the Contracting Officer authorizes such action in writing.

20. PAYMENT (MAY 2011)

(a) When space is offered and accepted, the amount of American National Standards Institute/Building Owners and Managers Association Office Area (ABOA) square footage delivered will be confirmed by:

(1) The Government’s measurement of plans submitted by the successful Offeror as approved by the Government, and an inspection of the space to verify that the delivered space is in conformance with such plans or

(2) A mutual on-site measurement of the space, if the Contracting Officer determines that it is necessary.

(b) Payment will not be made for space which is in excess of the amount of ABOA square footage stated in the lease.

(c) If it is determined that the amount of ABOA square footage actually delivered is less than the amount agreed to in the lease, the lease will be modified to reflect the amount of ABOA space delivered and the annual rental will be adjusted as follows:

ABOA square feet not delivered multiplied by one plus the common area factor (CAF), multiplied by the rate per rentable square foot (RSF). That is: $(1+CAF) \times \text{Rate per RSF} = \text{Reduction in Annual Rent}$

21. 52.232-33 PAYMENT BY ELECTRONIC FUNDS TRANSFER—SYSTEM FOR AWARD MANAGEMENT (OCT 2018)

This clause is incorporated by reference.

LESSOR: _____ GOVERNMENT: _____

22. 52.203-13

Contractor Code of Business Ethics and Conduct (JUN 2020)

(Applicable to leases over \$5.5 million total contract value and performance period is 120 days or more.)

This clause is incorporated by reference.

23. 552.270-32

COVENANT AGAINST CONTINGENT FEES (JUN 2011)

(Applicable to leases over the Simplified Lease Acquisition Threshold.)

(a) The Contractor warrants that no person or agency has been employed or retained to solicit or obtain this contract upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the Government shall have the right to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration, or otherwise recover the full amount of the contingent fee.

(b) *Bona fide agency*, as used in this clause, means an established commercial or selling agency (including licensed real estate agents or brokers), maintained by a Contractor for the purpose of securing business, that neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds itself out as being able to obtain any Government contract or contracts through improper influence.

(1) *Bona fide employee*, as used in this clause, means a person, employed by a Contractor and subject to the Contractor's supervision and control as to time, place, and manner of performance, who neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds out as being able to obtain any Government contract or contracts through improper influence.

(2) *Contingent fee*, as used in this clause, means any commission, percentage, brokerage, or other fee that is contingent upon the success that a person or concern has in securing a Government contract.

(3) *Improper influence*, as used in this clause, means any influence that induces or tends to induce a Government employee or officer to give consideration or to act regarding a Government contract on any basis other than the merits of the matter.

24. 52.203-7 ANTI-KICKBACK PROCEDURES (JUN 2020)

(Applicable to leases over the Simplified Lease Acquisition Threshold.)

This clause is incorporated by reference.

25. 52.223-6 DRUG-FREE WORKPLACE (MAY 2001)

(Applicable to leases over the Simplified Lease Acquisition Threshold, as well as to leases of any value awarded to an individual.)

This clause is incorporated by reference.

26. 52.203-14 DISPLAY OF HOTLINE POSTER(S) (JUN 2020)

(Applicable to leases over \$5.5 Million total contract value and performance period is 120 days or more.)

(a) *Definition.*

United States, as used in this clause, means the 50 States, the District of Columbia, and outlying areas.

(b) *Display of fraud hotline poster(s).* Except as provided in paragraph (c)—

LESSOR: _____ GOVERNMENT: _____

(1) During contract performance in the United States, the Contractor shall prominently display in common work areas within business segments performing work under this contract and at contract work sites-

(i) Any agency fraud hotline poster or Department of Homeland Security (DHS) fraud hotline poster identified in paragraph (b)(3) of this clause; and

(ii) Any DHS fraud hotline poster subsequently identified by the Contracting Officer.

(2) Additionally, if the Contractor maintains a company website as a method of providing information to employees, the Contractor shall display an electronic version of the poster(s) at the website.

(3) Any required posters may be obtained as follows:

Poster(s)	Obtain from
<hr/>	<hr/>
<hr/>	<hr/>

(Contracting Officer shall insert—

(i) Appropriate agency name(s) and/or title of applicable Department of Homeland Security fraud hotline poster); and

(ii) The website(s) or other contact information for obtaining the poster(s).)

(c) If the Contractor has implemented a business ethics and conduct awareness program, including a reporting mechanism, such as a hotline poster, then the Contractor need not display any agency fraud hotline posters as required in paragraph (b) of this clause, other than any required DHS posters.

(d) *Subcontracts.* The Contractor shall include the substance of this clause, including this paragraph (d), in all subcontracts that exceed the threshold specified in Federal Acquisition Regulation 3.1004(b)(1) on the date of subcontract award, except when the subcontract—

(1) Is for the acquisition of a commercial item; or

(2) Is performed entirely outside the United States.

27. 552.270-30 PRICE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY (JUN 2011)

(Applicable to leases over the Simplified Lease Acquisition Threshold.)

(a) If the head of the contracting activity (HCA) or his or her designee determines that there was a violation of subsection 27(a) of the Office of Federal Procurement Policy Act, as amended (41 U.S.C. 423), as implemented in the Federal Acquisition Regulation, the Government, at its election, may—

LESSOR: _____ GOVERNMENT: _____

(1) Reduce the monthly rental under this lease by five percent of the amount of the rental for each month of the remaining term of the lease, including any option periods, and recover five percent of the rental already paid;

(2) Reduce payments for alterations not included in monthly rental payments by five percent of the amount of the alterations agreement; or

(3) Reduce the payments for violations by a Lessor's subcontractor by an amount not to exceed the amount of profit or fee reflected in the subcontract at the time the subcontract was placed.

(b) Prior to making a determination as set forth above, the HCA or designee shall provide to the Lessor a written notice of the action being considered and the basis thereof. The Lessor shall have a period determined by the agency head or designee, but not less than 30 calendar days after receipt of such notice, to submit in person, in writing, or through a representative, information and argument in opposition to the proposed reduction. The agency head or designee may, upon good cause shown, determine to deduct less than the above amounts from payments.

(c) The rights and remedies of the Government specified herein are not exclusive, and are in addition to any other rights and remedies provided by law or under this lease.

28. 52.215-10 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA (AUG 2011)

(Applicable when cost or pricing data are required for work or services over \$750,000.)
This clause is incorporated by reference.

29. 552.270-13 PROPOSALS FOR ADJUSTMENT (OCT 2016)

This clause is incorporated by reference.

30. CHANGES (MAR 2013)

(a) The LCO may at any time, by written order, direct changes to the Tenant Improvements within the Space, Building Security Requirements, or the services required under the Lease.

(b) If any such change causes an increase or decrease in Lessor's costs or time required for performance of its obligations under this Lease, whether or not changed by the order, the Lessor shall be entitled to an amendment to the Lease providing for one or more of the following:

- (1) An adjustment of the delivery date;
- (2) An equitable adjustment in the rental rate;
- (3) A lump sum equitable adjustment; or
- (4) A change to the operating cost base, if applicable.

(c) The Lessor shall assert its right to an amendment under this clause within 30 days from the date of receipt of the change order and shall submit a proposal for adjustment. Failure to agree to any adjustment shall be a dispute under the Disputes clause. However, the pendency of an adjustment or existence of a dispute shall not excuse the Lessor from proceeding with the change as directed.

(d) Absent a written change order from the LCO, or from a Government official to whom the LCO has explicitly and in writing delegated the authority to direct changes, the Government shall not be liable to Lessor under this clause.

LESSOR: _____ GOVERNMENT: _____

31. 552.215-70 EXAMINATION OF RECORDS BY GSA (JUN 2016)
(Applicable to leases over the Simplified Lease Acquisition Threshold.)
This clause is incorporated by reference.

32. 52.215-2 AUDIT AND RECORDS—NEGOTIATION (JUN 2020)
(Applicable to leases over the Simplified Lease Acquisition Threshold.)
This clause is incorporated by reference.

33. 52.233-1 DISPUTES (MAY 2014)
This clause is incorporated by reference.

34. 52.222-26 EQUAL OPPORTUNITY (SEP 2016)
This clause is incorporated by reference.

35. 52.222-21 PROHIBITION OF SEGREGATED FACILITIES (APR 2015)
This clause is incorporated by reference.

36. 52.219-28 POST-AWARD SMALL BUSINESS PROGRAM REREPRESENTATION (NOV 2020)
(Applicable to leases exceeding the micro-purchase threshold.)
This clause is incorporated by reference.

37. 52.222-35 EQUAL OPPORTUNITY FOR VETERANS (JUN 2020)
(Applicable to leases \$150,000 or more, total contract value.)

(a) *Definitions.* As used in this clause-

“Active duty wartime or campaign badge veteran,” “Armed Forces service medal veteran,” “disabled veteran,” “protected veteran,” “qualified disabled veteran,” and “recently separated veteran” have the meanings given at Federal Acquisition Regulation (FAR) [22.1301](#).

(b) Equal opportunity clause. The Contractor shall abide by the requirements of the equal opportunity clause at 41 CFR 60-300.5(a), as of March 24, 2014. This clause prohibits discrimination against qualified protected veterans, and requires affirmative action by the Contractor to employ and advance in employment qualified protected veterans.

(c) Subcontracts. The Contractor shall insert the terms of this clause in subcontracts valued at or above the threshold specified in FAR [22.1303](#)(a) on the date of subcontract award, unless exempted by rules, regulations, or orders of the Secretary of Labor. The Contractor shall act as specified by the Director, Office of Federal Contract Compliance Programs, to enforce the terms, including action for noncompliance. Such necessary changes in language may be made as shall be appropriate to identify properly the parties and their undertakings.

LESSOR: _____ GOVERNMENT: _____

38. 52.222-36 EQUAL OPPORTUNITY FOR WORKERS WITH DISABILITIES (JUN 2020)

(Applicable to leases over \$15,000 total contract value.)

(a) Equal opportunity clause. The Contractor shall abide by the requirements of the equal opportunity clause at 41 CFR 60-741.5(a), as of March 24, 2014. This clause prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by the Contractor to employ and advance in employment qualified individuals with disabilities.

(b) Subcontracts. The Contractor shall include the terms of this clause in every subcontract or purchase order in excess of the threshold specified in Federal Acquisition Regulation (FAR) [22.1408\(a\)](#) on the date of subcontract award, unless exempted by rules, regulations, or orders of the Secretary, so that such provisions will be binding upon each subcontractor or vendor. The Contractor shall act as specified by the Director, Office of Federal Contract Compliance Programs of the U.S. Department of Labor, to enforce the terms, including action for noncompliance. Such necessary changes in language may be made as shall be appropriate to identify properly the parties and their undertakings.

39. 52.222-37 EMPLOYMENT REPORTS ON VETERANS (JUN 2020)

(Applicable to leases \$150,000 or more, total contract value.)

This clause is incorporated by reference.

40. 52.209-6 PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (JUN 2020)

(Applicable to leases over \$35,000 total contract value.)

This clause is incorporated by reference.

41. 52.215-12 SUBCONTRACTOR CERTIFIED COST OR PRICING DATA (JUN 2020)

(Applicable if over \$750,000 total contract value.)

This clause is incorporated by reference.

42. 52.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS (OCT 2018)

(Applicable to leases over the Simplified Lease Acquisition Threshold.)

This clause is incorporated by reference.

43. 52.219-9 SMALL BUSINESS SUBCONTRACTING PLAN (JUN 2020) ALTERNATE III (JUN 2020)

(Applicable to leases over \$750,000 total contract value.)

This clause is incorporated by reference.

LESSOR: _____ GOVERNMENT: _____

44. 52.219-16 LIQUIDATED DAMAGES—SUBCONTRACTING PLAN (JAN 1999)

(Applicable to leases over \$750,000 total contract value.)
This clause is incorporated by reference.

45. 52.204-10 REPORTING EXECUTIVE COMPENSATION AND FIRST-TIER SUBCONTRACT AWARDS (JUN 2020)

(Applicable if over \$30,000 total contract value.)
This clause is incorporated by reference.

46. 52.204-25 PROHIBITION ON CONTRACTING FOR CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT (AUG 2020)

(a) *Definitions.* As used in this clause—

Backhaul means intermediate links between the core network, or backbone network, and the small subnetworks at the edge of the network (e.g., connecting cell phones/towers to the core telephone network). Backhaul can be wireless (e.g., microwave) or wired (e.g., fiber optic, coaxial cable, Ethernet).

Covered foreign country means The People's Republic of China.

Covered telecommunications equipment or services means—

(1) Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities);

(2) For the purpose of public safety, security of Government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);

(3) Telecommunications or video surveillance services provided by such entities or using such equipment; or

(4) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

Critical technology means—

(1) Defense articles or defense services included on the United States Munitions List set forth in the International Traffic in Arms Regulations under subchapter M of chapter I of title 22, Code of Federal Regulations;

(2) Items included on the Commerce Control List set forth in Supplement No. 1 to part 774 of the Export Administration Regulations under subchapter C of chapter VII of title 15, Code of Federal Regulations, and controlled-

(i) Pursuant to multilateral regimes, including for reasons relating to national security, chemical and biological weapons proliferation, nuclear nonproliferation, or missile technology; or

(ii) For reasons relating to regional stability or surreptitious listening;

LESSOR: _____ GOVERNMENT: _____

(3) Specially designed and prepared nuclear equipment, parts and components, materials, software, and technology covered by part 810 of title 10, Code of Federal Regulations (relating to assistance to foreign atomic energy activities);

(4) Nuclear facilities, equipment, and material covered by part 110 of title 10, Code of Federal Regulations (relating to export and import of nuclear equipment and material);

(5) Select agents and toxins covered by part 331 of title 7, Code of Federal Regulations, part 121 of title 9 of such Code, or part 73 of title 42 of such Code; or

(6) Emerging and foundational technologies controlled pursuant to section 1758 of the Export Control Reform Act of 2018 (50 U.S.C. 4817).

Interconnection arrangements means arrangements governing the physical connection of two or more networks to allow the use of another's network to hand off traffic where it is ultimately delivered (e.g., connection of a customer of telephone provider A to a customer of telephone company B) or sharing data and other information resources.

Reasonable inquiry means an inquiry designed to uncover any information in the entity's possession about the identity of the producer or provider of covered telecommunications equipment or services used by the entity that excludes the need to include an internal or third-party audit.

Roaming means cellular communications services (e.g., voice, video, data) received from a visited network when unable to connect to the facilities of the home network either because signal coverage is too weak or because traffic is too high.

Substantial or essential component means any component necessary for the proper function or performance of a piece of equipment, system, or service.

(b) *Prohibition.* (1) Section 889(a)(1)(A) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2019, from procuring or obtaining, or extending or renewing a contract to procure or obtain, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. The Contractor is prohibited from providing to the Government any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, unless an exception at paragraph (c) of this clause applies or the covered telecommunication equipment or services are covered by a waiver described in FAR [4.2104](#).

(2) Section 889(a)(1)(B) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2020, from entering into a contract, or extending or renewing a contract, with an entity that uses any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, unless an exception at paragraph (c) of this clause applies or the covered telecommunication equipment or services are covered by a waiver described in FAR 4.2104. This prohibition applies to the use of covered telecommunications equipment or services, regardless of whether that use is in performance of work under a Federal contract.

(c) *Exceptions.* This clause does not prohibit contractors from providing—

(1) A service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or

(2) Telecommunications equipment that cannot route or redirect user data traffic or permit visibility into any user data or packets that such equipment transmits or otherwise handles.

LESSOR: _____ GOVERNMENT: _____

(d) Reporting requirement. (1) In the event the Contractor identifies covered telecommunications equipment or services used as a substantial or essential component of any system, or as critical technology as part of any system, during contract performance, or the Contractor is notified of such by a subcontractor at any tier or by any other source, the Contractor shall report the information in paragraph (d)(2) of this clause to the Contracting Officer, unless elsewhere in this contract are established procedures for reporting the information; in the case of the Department of Defense, the Contractor shall report to the website at <https://dibnet.dod.mil>. For indefinite delivery contracts, the Contractor shall report to the Contracting Officer for the indefinite delivery contract and the Contracting Officer(s) for any affected order or, in the case of the Department of Defense, identify both the indefinite delivery contract and any affected orders in the report provided at <https://dibnet.dod.mil>.

(2) The Contractor shall report the following information pursuant to paragraph (d)(1) of this clause

(i) Within one business day from the date of such identification or notification: the contract number; the order number(s), if applicable; supplier name; supplier unique entity identifier (if known); supplier Commercial and Government Entity (CAGE) code (if known); brand; model number (original equipment manufacturer number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.

(ii) Within 10 business days of submitting the information in paragraph (d)(2)(i) of this clause: any further available information about mitigation actions undertaken or recommended. In addition, the Contractor shall describe the efforts it undertook to prevent use or submission of covered telecommunications equipment or services, and any additional efforts that will be incorporated to prevent future use or submission of covered telecommunications equipment or services.

(e) *Subcontracts*. The Contractor shall insert the substance of this clause, including this paragraph (e) and excluding paragraph (b)(2), in all subcontracts and other contractual instruments, including subcontracts for the acquisition of commercial items.

47. 52.204-19 INCORPORATION BY REFERENCE OF REPRESENTATIONS AND CERTIFICATIONS (DEC 2014)

This clause is incorporated by reference.

Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment

See instructions within the representation regarding whether or not completion of this form is required. If required, complete appropriate boxes, sign the form, and return form, along with any other required disclosure information, to LCO or his/her designee.

NOTE: The "Offeror," as used on this form, is the owner of the property offered, not an individual or agent representing the owner.

52.204-24 Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment (OCT 2020)

The Offeror shall not complete the representation at paragraph (d)(1) of this provision if the Offeror has represented that it "does not provide covered telecommunications equipment or services as a part of its offered products or services to the Government in the performance of any contract, subcontract, or other contractual instrument" in paragraph (c)(1) in the provision at 52.204-26, Covered Telecommunications Equipment or Services—Representation, or in paragraph (v)(2)(i) of the provision at 52.212-3, Offeror Representations and Certifications-Commercial Items. The Offeror shall not complete the representation in paragraph (d)(2) of this provision if the Offeror has represented that it "does not use covered telecommunications equipment or services, or any equipment, system, or service that uses covered telecommunications equipment or services" in paragraph (c)(2) of the provision at 52.204-26, or in paragraph (v)(2)(ii) of the provision at 52.212-3.

(a) *Definitions.* As used in this provision—

Backhaul, covered telecommunications equipment or services, critical technology, interconnection arrangements, reasonable inquiry, roaming, and substantial or essential component have the meanings provided in the clause [52.204-25](#), Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment.

(b) *Prohibition.*

(1) Section 889(a)(1)(A) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2019, from procuring or obtaining, or extending or renewing a contract to procure or obtain, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. Nothing in the prohibition shall be construed to—

(i) Prohibit the head of an executive agency from procuring with an entity to provide a service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or

(ii) Cover telecommunications equipment that cannot route or redirect user data traffic or cannot permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(2) Section 889(a)(1)(B) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2020, from entering into a contract or extending or renewing a contract with an entity that uses any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. This prohibition applies to the use of covered telecommunications equipment or services, regardless of whether that use is in performance of work under a Federal contract. Nothing in the prohibition shall be construed to—

(i) Prohibit the head of an executive agency from procuring with an entity to provide a service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or

(ii) Cover telecommunications equipment that cannot route or redirect user data traffic or cannot permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(c) *Procedures.* The Offeror shall review the list of excluded parties in the System for Award Management (SAM) (<https://www.sam.gov>) for entities excluded from receiving federal awards for “covered telecommunications equipment or services”.

(d) *Representation.* The Offeror represents that—

(1) It ☐ will, ☐ will not provide covered telecommunications equipment or services to the Government in the performance of any contract, subcontract or other contractual instrument resulting from this solicitation. The Offeror shall provide the additional disclosure information required at paragraph (e)(1) of this section if the Offeror responds “will” in paragraph (d)(1) of this section; and

(2) After conducting a reasonable inquiry, for purposes of this representation, the Offeror represents that—

It ☐ does, ☐ does not use covered telecommunications equipment or services, or use any equipment, system, or service that uses covered telecommunications equipment or services. The Offeror shall provide the additional disclosure information required at paragraph (e)(2) of this section if the Offeror responds “does” in paragraph (d)(2) of this section.

(e) *Disclosures.* (1) Disclosure for the representation in paragraph (d)(1) of this provision. If the Offeror has responded “will” in the representation in paragraph (d)(1) of this provision, the Offeror shall provide the following information as part of the offer:

(i) For covered equipment—

(A) The entity that produced the covered telecommunications equipment (include entity name, unique entity identifier, CAGE code, and whether the entity was the original equipment manufacturer (OEM) or a distributor, if known);

(B) A description of all covered telecommunications equipment offered (include brand; model number, such as OEM number, manufacturer part number, or wholesaler number; and item description, as applicable); and

(C) Explanation of the proposed use of covered telecommunications equipment and any factors relevant to determining if such use would be permissible under the prohibition in paragraph (b)(1) of this provision.

(ii) For covered services—

(A) If the service is related to item maintenance: A description of all covered telecommunications services offered (include on the item being maintained: Brand; model number, such as OEM number, manufacturer part number, or wholesaler number; and item description, as applicable); or

(B) If not associated with maintenance, the Product Service Code (PSC) of the service being provided; and explanation of the proposed use of covered telecommunications services and any factors relevant to determining if such use would be permissible under the prohibition in paragraph (b)(1) of this provision.

(2) Disclosure for the representation in paragraph (d)(2) of this provision. If the Offeror has responded “does” in the representation in paragraph (d)(2) of this provision, the Offeror shall provide the following information as part of the offer:

(i) For covered equipment—

(A) The entity that produced the covered telecommunications equipment (include entity name, unique entity identifier, CAGE code, and whether the entity was the OEM or a distributor, if known);

(B) A description of all covered telecommunications equipment offered (include brand; model number, such as OEM number, manufacturer part number, or wholesaler number; and item description, as applicable); and

(C) Explanation of the proposed use of covered telecommunications equipment and any factors relevant to determining if such use would be permissible under the prohibition in paragraph (b)(2) of this provision.

(ii) For covered services—

(A) If the service is related to item maintenance: A description of all covered telecommunications services offered (include on the item being maintained: Brand; model

number, such as OEM number, manufacturer part number, or wholesaler number; and item description, as applicable); or

(B) If not associated with maintenance, the PSC of the service being provided; and explanation of the proposed use of covered telecommunications services and any factors relevant to determining if such use would be permissible under the prohibition in paragraph (b)(2) of this provision.

(End of provision)

OFFEROR OR LEGALLY AUTHORIZED REPRESENTATIVE	NAME, ADDRESS (INCLUDING ZIP CODE)	TELEPHONE NUMBER
	<hr/> Signature	<hr/> Date

CERTIFICATE OF OCCUPANCY

MESA COUNTY BUILDING DEPARTMENT

PERMIT NUMBER 12-00561

DATE 8/20/2012

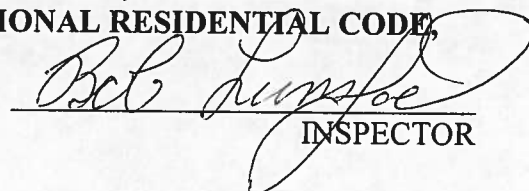
PERMISSION IS HEREBY GRANTED TO WALKER FIELD PUBLIC AIRPORT AU TO OCCUPY
THE BUILDING SITUATED AT 2828 WALKER FIELD DR

TAX PARCEL NUMBER 2705-313-00-941

FOR THE FOLLOWING PURPOSE:

3RD AND 2ND FLOOR REMODELS

**THIS CERTIFICATE IS ISSUED IN CONFORMITY TO SECTION 110, INTERNATIONAL
BUILDING CODE, 2012 EDITION/SECTION 110, INTERNATIONAL RESIDENTIAL CODE,
2012 EDITION.**


INSPECTOR

CERTIFICATE OF OCCUPANCY

MESA COUNTY BUILDING DEPARTMENT

PERMIT NUMBER 12-00561

DATE 8/20/2012

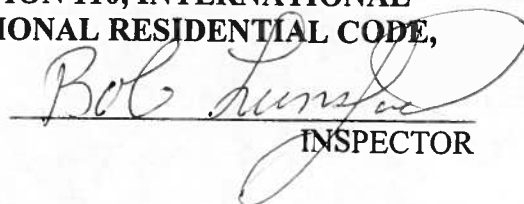
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BUILDING CODE, 2006 EDITION/SECTION 110, INTERNATIONAL RESIDENTIAL CODE,
2006 EDITION.**


INSPECTOR

Grand Junction Regional Airport Authority
Agenda Item Summary

TOPIC:	Plante Moran Audit Engagement Letter for 2021 Audits		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Approve the audit engagement letter with Plante Moran for the 2021 audits.		
SUMMARY:	<p>A request for proposal was conducted in 2019 to select an independent audit firm to perform the required annual financial statement audits for the Authority for 2019 - 2023. The proposals were reviewed by the selection committee, including Finance and Audit Committee members, and based on the evaluation the committee recommended Plante Moran.</p> <p>While the RFP selected the auditor based on an expected 5-year term, GJRAA must sign an engagement letter for each audit year.</p> <p>The fee in the engagement letter matches the amount proposed by Plante Moran in the RFP. Staff reviewed the terms and conditions of the engagement letter and recommends approval.</p>		
REVIEWED BY:	Executive Director and Legal Counsel, Dan Reimer		
FISCAL IMPACT:	\$41,900 – 2022 Contract Services Expense		
ATTACHMENTS:	2021 Engagement Letter		
STAFF CONTACT:	Sarah Menge smenge@gjairport.com (970) 248-8581		

September 7, 2021

Mr. Tom Benton
Grand Junction Regional Airport Authority
800 Eagle Drive
Grand Junction, CO 81506

Dear Mr. Benton:

Thank you for your selection of Plante & Moran, PLLC ("PM") to assist you. We are sending this letter and the accompanying Professional Services Agreement, which is hereby incorporated as part of this engagement letter, to confirm our understanding of the nature, limitations, and terms of the services we will provide to Grand Junction Regional Airport Authority ("GJRAA").

Scope of Services

We will audit GJRAA's basic financial statements, federal awards, and passenger facility charges as of and for the year ended December 31, 2021. In addition, the supplemental information accompanying the financial statements, will be subjected to the auditing procedures applied in our audit of the financial statements. We will audit GJRAA's compliance with the types of compliance requirements described in the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration (the "Guide") as of and the year ended December 31, 2021.

In connection with our audit engagement, we will assist you in drafting your financial statements, supplementary information, Data Collection Form, and related notes. This assistance is considered a non-audit service; you agree to the contemporaneous provision of these audit and non-audit services.

If you determine that you need additional services, including accounting, consulting, or tax assistance, PM can be available to provide such additional services if and to the extent provided for in a separate, signed engagement agreement.

Timing of Services

Due to the ongoing Coronavirus pandemic, we expect to perform this engagement with a combination of on-site and remote work. If you prefer for us, as an alternative to certain elements of our on-site work, to perform as many procedures remotely as possible, please let us know as soon as possible. This work is expected to begin on April 18, 2022. Completion of our procedures and issuance of our report will be dependent upon our ability to obtain sufficient appropriate information and access your staff. If you elect to have us perform as many procedures remotely as possible, there may likely still be procedures that will require us to be on-site. We will work with you to schedule that work based on and subject to applicable legal requirements and/or guidance regarding worksite safety conditions.

Fees and Payment Terms

Our fee for this engagement will be based on the value of the services provided, which is primarily a function of the time that PM staff expends at our current hourly rates. We estimate that our fee for this engagement will be \$41,900, which includes \$31,800 for the financial statement audit, \$2,400 for the passenger facility charge audit, and \$7,700 for the single audit. These fees are inclusive of all reasonable and necessary travel and out-of-pocket costs incurred

Our fee does not include additional services that may be required as a result of issues related to the Coronavirus pandemic, including accounting and disclosure matters, or those caused by delays in engagement timing or procedures. In the event any of these issues arise, we will discuss additional fee estimates with you.

Invoices for audit services will be rendered to reflect this payment schedule. Invoices for other services and out-of-pocket costs will be rendered as services are provided and are due when received. In the event an invoice is not paid timely, a late charge in the amount of 1.25 percent per month will be added, beginning 30 days after the date of the invoice.

If you are in agreement with our understanding of this engagement, as set forth in this engagement letter and the accompanying Professional Services Agreement, please sign the enclosed copy of this letter and return it to us with the accompanying Professional Services Agreement.

Thank you for the opportunity to serve you.

Very truly yours,

Plante & Moran, PLLC



Lisa Meacham, CPA
Partner

Agreed and Accepted

We accept this engagement letter and the accompanying Professional Services Agreement (collectively "Agreement"), which set forth the entire agreement between Grand Junction Regional Airport Authority and Plante & Moran, PLLC with respect to the services specified in the Scope of Services section of this engagement letter.

Grand Junction Regional Airport Authority

Mr. Tom Benton

Date

Title

Professional Services Agreement – Audit Services Addendum to Plante & Moran, PLLC Engagement Letter

This Professional Services Agreement is part of the engagement letter for audit services dated September 7, 2021 between Plante & Moran, PLLC (referred to herein as “PM”) and Grand Junction Regional Airport Authority (referred to herein as “GJRAA”).

1. **Financial Statements** – The financial statements of GJRAA being audited by PM are to be presented in accordance with accounting principles generally accepted in the United States of America (GAAP).
2. **Management Responsibilities** – GJRAA management is responsible for the preparation and fair presentation of these financial statements, the schedule of federal awards, and the data collection form in accordance with the applicable financial reporting framework, including compliance with the requirements of accounting principles generally accepted in the United States of America when required and the completeness and accuracy of the information presented and disclosed therein. Management is also responsible for the capability and integrity of GJRAA personnel responsible for GJRAA’s underlying accounting and financial records.

GJRAA personnel will provide PM, in a timely and orderly manner, with access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, the schedule of federal awards, and the data collection form, such as records, documentation, and other matters and additional information that the auditor may request from management for the purpose of the audit.

This includes providing assistance and information PM requests during the course of its audit, including retrieval of records and preparation of schedules, analyses of accounts, and confirmations. A written request for information to be provided will be submitted under separate cover and supplemented by additional written and oral requests as necessary during the course of PM’s audit. In addition, GJRAA will provide PM with all information in its possession that has a material impact on any material transaction and that information will be complete, truthful, and accurate. GJRAA will allow PM unrestricted access to personnel within GJRAA from whom PM determines it necessary to obtain audit evidence.

GJRAA represents and warrants that any and all information that it transmits to PM will be done so in full compliance with all applicable federal, state, local and foreign privacy and data protection laws, as well as all other applicable regulations and directives, as may be amended from time to time (collectively, “Data Privacy Laws”). GJRAA shall not disclose personal data of data subjects (“Personal Data”) who are entitled to certain rights and protections afforded by Data Privacy Laws to PM without prior notification to PM. GJRAA shall make reasonable efforts to limit the disclosure of Personal Data to PM to the minimum necessary to accomplish the intended purpose of the disclosure to PM.

Management is responsible for making all management decisions and performing all management functions relating to the financial statements, supplementary financial information, related notes, schedule of federal awards, and the data collection form. Management accepts full responsibility for such decisions, even if PM provides advice as to the application of accounting principles or assists in drafting the financial statements, supplementary financial information, related notes, schedule of federal awards, or data collection form. Management is also ultimately responsible for the submission of the data collection form to the Federal Audit Clearinghouse. GJRAA has designated Sarah Menge to oversee financial statement and federal awards reporting related services PM provides. Management will be required to acknowledge in the management representation letter that it has reviewed and approved the financial statements, supplementary financial information, and related notes prior to their issuance and have accepted responsibility for the adequacy of the financial statements.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing PM about all known or suspected fraud affecting the GJRAA involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. Management’s responsibilities include informing PM of its knowledge of any allegations of fraud or suspected fraud affecting the GJRAA received in communications from employees, former employees, regulators, or others. In addition, management is responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

Management is responsible for providing PM with complete, accurate, and timely information that could bear on PM’s independence under applicable professional standards, including, but not limited to, information and representations regarding affiliates of GJRAA, business or personal relationships between GJRAA and PM, and business, personal and employment relationships between those in a financial reporting oversight role, including members of governance, and PM (collectively, Independence Information). GJRAA represents and warrants that (a) it has provided PM any and all Independence Information existing as of the date of this Agreement, (b) that such Independence Information is accurate and complete as of the date of this Agreement, (c) that it will notify PM of any changes to Independence Information that has been provided as of the date of this Agreement, and (d) that,

Professional Services Agreement – Audit Services

after the date of this Agreement, it will provide any new Independence Information to PM as soon as it becomes known to GJRAA.

3. **Objective of an Audit of Financial Statements** – The objective of PM's audit is the expression of an opinion on the GJRAA financial statements specified in the accompanying engagement letter. PM offers no guarantee, express or implied, that its opinion will be unmodified or that it will be able to form an opinion about these financial statements in the event that GJRAA's internal controls or accounting and financial records prove to be unreliable or otherwise not auditable. If PM's opinion is to be modified, PM will discuss the reasons with GJRAA management in advance of the issuance of its audit report. If, for any reason, PM is prevented from completing its audit or is unable to form an opinion on these financial statements, PM may terminate the engagement and decline to issue a report.
4. **Supplementary Information** – In any document that contains supplementary information to the basic financial statements that indicates that the auditor has reported on such supplementary information, management agrees to include the auditor's report on that supplementary information. In addition, management agrees to present the supplementary information with the audited financial statements or to make the audited financial statements readily available no later than the date of issuance by GJRAA of the supplementary information and the auditor's report thereon.
5. **Internal Controls** – GJRAA is responsible for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including controls established for the purpose of preventing or detecting errors in financial reporting, preventing fraud or misappropriation of assets, and identifying and complying with applicable laws and regulations, including those applicable to federal awards, and with the provisions of contracts and grant agreements. PM, in making its risk assessments, will consider internal control relevant to GJRAA's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. PM's audit will not be designed to provide assurance on the design or operating effectiveness of GJRAA's internal controls or to identify all conditions that represent significant deficiencies in those internal controls. PM will communicate all significant deficiencies and material weaknesses in internal controls relevant to the audit of the financial statements, instances of fraud, or misappropriation of assets that come to PM's attention.
6. **Audit Procedures and Limitations** – PM's audit of the financial statements will be conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include examination, on a test basis, of evidence supporting the amounts and disclosures in the GJRAA financial statements specified in this engagement letter. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. An audit in accordance with GAAS involves judgment about the number of transactions to be tested and the overall approach to testing in each area. As a result, PM's audit can only be designed to provide reasonable rather than absolute assurance that these financial statements are free from material misstatement. In addition, an audit in accordance with GAAS is not designed to detect errors or fraud that are immaterial to the financial statements. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected always exists, even in an audit properly planned and performed in accordance with GAAS. In recognition of these limitations, GJRAA acknowledges that PM's audit cannot guarantee that all instances of error or fraud will be identified.
7. **Government Auditing Standards** – Under *Government Auditing Standards*, PM will make some assessments of GJRAA's compliance with laws, regulations, and contract provisions. While those assessments will not be sufficient to identify all noncompliance with applicable laws, regulations, and contract provisions, PM will communicate all noncompliance conditions that come to PM's attention.

PM's audit of GJRAA's federal awards will be made in accordance with auditing standards generally accepted in the United States of America; the standards applicable for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

Management is responsible for corrective action on all audit findings, including preparation of a schedule of prior audit findings and corrective action plans, if necessary.

In accordance with *Government Auditing Standards*, a copy of PM's most recent peer review report is included as an attachment to this agreement.

8. **Auditor Communications** – PM is obligated to communicate certain matters related to the audit to those responsible for governance of GJRAA, including instances of error or fraud and significant deficiencies and material

weaknesses in internal control that PM identifies during its audit. PM will communicate these matters to the members of GJRAA's governing board, and GJRAA acknowledges and agrees that communication in this manner is sufficient for GJRAA's purposes.

Under *Government Auditing Standards* PM is obligated to communicate instances of fraud, noncompliance or abuse that is material to the financial statements to those responsible for governance of GJRAA. In certain situations, *Government Auditing Standards* require disclosure of instances of known or likely fraud, noncompliance, or abuse directly to applicable governmental agencies. If such acts are detected during PM's audit, PM will make required disclosures regarding these acts to applicable government agencies.

9. **Communication to Group Auditor** – In instances where PM has been engaged as a component auditor for the purposes of a Group Audit, the terms of the engagement may include communication of certain matters related to the audit to the Group Auditor. GJRAA permits such communication. PM will discuss matters being communicated with those responsible for governance of GJRAA.
10. **Accounting and Financial Records** – GJRAA agrees that it is responsible for providing PM with accounting and financial records that are closed, complete, accurate, and in conformity with the requirements of GAAP, for providing schedules and analyses of accounts that PM requests, and for making all GJRAA financial records and related information available to PM for purposes of PM's audit, whether obtained from within or outside of the general ledger and subsidiary ledgers. Where PM has provided estimates of the timing of its work and completion of PM's engagement and issuance of PM's report, those estimates are dependent on GJRAA providing PM with all such accounting and financial records, schedules, and analyses on the date PM's work commences. PM will assess the condition of GJRAA's accounting and financial records, schedules, and analyses of accounts prior to commencing its work. In the event that such records, schedules, and analyses are not closed, complete, accurate, or in conformity with GAAP, PM may have to reschedule its work, including the dates on which PM expects to complete its on-site procedures and issue its audit report.

In any circumstance where PM's work is rescheduled due to GJRAA's failure to provide information as described in the preceding paragraph, PM offers no guarantee, express or implied, that PM will be able to meet any previously established deadlines related to the completion of the audit work or issuance of its audit report. Because rescheduling audit work imposes additional costs on PM, in any circumstance where PM has provided estimated fees, those estimated fees may be adjusted for the additional time PM incurs as a result of rescheduling its work. These fee adjustments will be determined in accordance with the Fee Adjustments provision of this agreement.

11. **Audit Adjustments** – PM will recommend adjustments to GJRAA's accounting records that PM believes are appropriate. GJRAA management is responsible for adjusting GJRAA accounting records and financial statements to correct material misstatements and for affirming to PM in writing that the effects of any unrecorded adjustments identified during PM's audit are immaterial, both individually and in the aggregate, to the GJRAA financial statements specified in this agreement.
12. **Management Representations** – GJRAA is responsible for the financial statements and federal awards being audited and the implicit and explicit representations and assertions regarding the recognition, measurement, presentation, and disclosure of information therein. During the course of the audit, PM will request information and explanations from GJRAA officers, management, and other personnel regarding accounting and financial matters, including information regarding internal controls, operations, future plans, and the nature and purpose of specific transactions. PM will also require that management make certain representations to PM in writing as a precondition to issuance of PM's report.

PM's audit procedures will be significantly affected by the representations and assertions PM receives from management and, accordingly, false representations could cause material error or fraud to go undetected by PM's procedures. Accordingly, GJRAA acknowledges and agrees that it will instruct each person providing information, explanations, or representations to an auditor to provide true and complete information, to the best of his or her knowledge and belief. It is also agreed that any deliberate misrepresentation by any director, officer, or member of management, or any other person acting under the direction thereof ("GJRAA Personnel"), intended to influence, coerce, manipulate, or mislead PM in the conduct of its audit of the financial statements will be considered a material breach of this agreement. In addition, as a condition of its audit engagement, GJRAA agrees to indemnify and hold PM and its partners, affiliates, and employees harmless from any and all claims, including associated attorneys' fees and costs, based on PM's failure to detect material misstatements in GJRAA financial statements resulting in whole or in part from deliberate false or misleading representations, whether oral or written, made to PM by GJRAA Personnel. This indemnity will be inoperative only if, and to the extent that, a court having competent jurisdiction has determined that PM failed to conduct its audit in accordance with generally accepted auditing standards and such failure resulted in PM not determining such misrepresentation by GJRAA Personnel was false.

13. **Use of Report** – PM's report on the financial statements must be associated only with the financial statements that were the subject of PM's audit engagement. GJRAA may make copies of the audit report, but only if the entire

Professional Services Agreement – Audit Services

financial statements (including related footnotes and supplemental information, as appropriate) are reproduced and distributed with that report. GJRAA agrees not to reproduce or associate PM's audit report with any other financial statements, or portions thereof, that are not the subject of this engagement.

If PM's report on the financial statements being audited is to be published in any manner or if GJRAA intends to make reference to PM in a publication of any type, GJRAA agrees to submit proofs of the publication to PM for review prior to such publication and cooperate with PM in PM's performance of any additional audit procedures PM deems necessary in the circumstances, the nature and extent of which will be at PM's sole discretion. GJRAA acknowledges and agrees that additional fees for such work will be determined in accordance with the Fee Adjustments provision of this agreement. With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on GJRAA's Internet website, GJRAA understands that electronic sites are a means to distribute information and, therefore, PM is not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

- 14. Securities Offerings** – PM's audit does not contemplate, and does not include, any services in connection with any offering of securities, whether registered or exempt from registration. In the event GJRAA elects to incorporate or make reference to PM's report in connection with any offering of debt or equity securities and requests PM's consent to such incorporation or reference, GJRAA understands that additional procedures will need to be performed. In the event PM agrees in writing to perform such additional procedures, the nature and extent of which will be at PM's sole discretion, it is agreed and acknowledged that PM's performance of such additional procedures will be subject to all of the terms and conditions of this agreement. Additional fees for such work will be determined based on the actual time that PM staff expend at current hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred, and that payment for all such additional fees will be made in accordance with the payment terms provided in this agreement.

If GJRAA incorporates or makes reference to PM's report in connection with any offering of debt or equity securities without obtaining consent from PM as described above, GJRAA agrees to include the following provision in the offering document:

Plante & Moran, PLLC, our independent auditor, has not performed or been engaged to perform any services in connection with the offering of securities. Nor has Plante & Moran, PLLC performed or been engaged to perform any procedures on the financial statements of GJRAA since the date of the Plante & Moran, PLLC report included herein. Plante & Moran, PLLC also has not performed any procedures relating to this offering document.

- 15. Tax Return Preparation** – This engagement does not include preparation of any tax returns or filings. If GJRAA requires tax services, including tax consulting or preparation of tax returns, those services will be detailed in a separate engagement letter.
- 16. Confidentiality, Ownership, and Retention of Workpapers** – During the course of this engagement, PM and PM staff may have access to proprietary information of GJRAA, including, but not limited to, information regarding general ledger balances, financial transactions, trade secrets, business methods, plans, or projects. PM acknowledges that such information, regardless of its form, is confidential and proprietary to GJRAA. PM will comply with all applicable ethical standards, laws, and regulations as to the retention, protection, use and distribution of such confidential GJRAA information. Except to the extent set forth herein, PM will not disclose such information to any third party without the prior written consent of GJRAA.

In the interest of facilitating PM's services to GJRAA, PM may communicate or exchange data by internet, e-mail, facsimile transmission, or other electronic method. While PM will use its best efforts to keep such communications and transmissions secure in accordance with PM's obligations under applicable laws and professional standards, GJRAA recognizes and accepts that PM has no control over the unauthorized interception of these communications or transmissions once they have been sent, and consents to PM's use of these electronic devices during this engagement.

Professional standards require that PM create and retain certain workpapers for engagements of this nature. All workpapers created in the course of this engagement are and shall remain the property of PM. PM will maintain the confidentiality of all such workpapers as long as they remain in PM's possession.

Both GJRAA and PM acknowledge, however, that PM may be required to make its workpapers available to regulatory authorities or by court order or subpoena in a legal, administrative, arbitration, or similar proceeding in which PM is not a party. Further, in compliance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, PM's working papers will be made available to federal award program representatives at PM offices during normal business hours during the audit and for a period of three years after the issuance of the report. Disclosure of

confidential information in accordance with requirements of regulatory authorities or pursuant to court order or subpoena shall not constitute a breach of the provisions of this agreement. In the event that a request for any confidential information or workpapers covered by this agreement is made by regulatory authorities or pursuant to a court order or subpoena, PM agrees to inform GJRAA in a timely manner of such request and to cooperate with GJRAA should it attempt, at GJRAA's cost, to limit such access. This provision will survive the termination of this agreement. PM's efforts in complying with such requests will be deemed billable to GJRAA as a separate engagement. PM shall be entitled to compensation for its time and reasonable reimbursement of its expenses (including legal fees) in complying with the request.

Both GJRAA and PM acknowledge that upon completion of the audit PM is required to send an electronic copy of GJRAA's financial report, PM's official letter of comments and recommendations, and auditing procedures report directly to the State of Michigan pursuant to Michigan Department of Treasury Regulations. GJRAA authorizes and directs PM to provide such information and disclosure of such information shall not constitute a breach of the provisions of this agreement.

PM reserves the right to destroy, and it is understood that PM will destroy, workpapers created in the course of this engagement in accordance with PM's record retention and destruction policies, which are designed to meet all relevant regulatory requirements for retention of workpapers. PM has no obligation to maintain workpapers other than for its own purposes or to meet those regulatory requirements.

Upon GJRAA's written request, PM may, at its sole discretion, allow others to view any workpapers remaining in its possession if there is a specific business purpose for such a review. PM will evaluate each written request independently. GJRAA acknowledges and agrees that PM will have no obligation to provide such access or to provide copies of PM's workpapers, without regard to whether access had been granted with respect to any prior requests.

17. Consent to Disclosures to Service Providers – In some circumstances, PM may use third-party service providers to assist with its services, including affiliates of PM within or outside the United States. In those circumstances, PM will be solely responsible for the provision of any services by any such third-party service providers and for the protection of any information provided to such third-party service providers. PM will require any such third-party service provider to: (i) maintain the confidentiality of any information furnished; and (ii) not use any information for any purpose unrelated to assisting with PM's services for GJRAA. In order to enable these third party service providers to assist PM in this capacity, GJRAA, by its duly authorized signature on the accompanying engagement letter, consents to PM's disclosure of all or any portion of GJRAA's information, including tax return information, to such third party service providers, including affiliates of PM outside of the United States, if and to the extent such information is relevant to the services such third party service providers may provide and agrees that PM's disclosure of such information for such purposes shall not constitute a breach of the provisions of this agreement. GJRAA's consent shall be continuing until the services provided for this agreement are completed.

18. Fee Quotes – In any circumstance where PM has provided estimated fees, fixed fees, or not-to-exceed fees ("Fee Quotes"), these Fee Quotes are based on information provided by GJRAA regarding the nature and condition of its accounting, financial, and tax records; the nature and character of transactions reflected in those records; and the design and operating effectiveness of its internal controls. GJRAA acknowledges that the following circumstances may result in an increase in fees:

- Failure by GJRAA to prepare for the audit as evidenced by accounts and records that have not been subject to normal year-end closing and reconciliation procedures;
- Failure by GJRAA to complete the audit preparation work by the applicable due dates;
- Significant unanticipated or undisclosed transactions, audit issues, or other such unforeseeable circumstances, including those created by the Coronavirus pandemic and resulting market conditions;
- Delays by GJRAA causing scheduling changes or disruption of fieldwork, including challenges created by the Coronavirus pandemic resulting from the inaccessibility of GJRAA personnel or records;
- After audit or post fieldwork circumstances requiring revisions to work previously completed or delays in resolution of issues that extend the period of time necessary to complete the audit;
- Issues with the prior audit firm, prior year account balances, or report disclosures that impact the current year engagement;
- An excessive number of audit adjustments.

PM will advise GJRAA in the event these circumstances occur; however, it is acknowledged that the exact impact on the Fee Quote may not be determinable until the conclusion of the engagement. Such fee adjustments will be determined in accordance with the Fee Adjustments provision of this agreement.

- 19. Payment Terms** – PM's invoices for professional services are due upon receipt unless otherwise specified in the engagement letter. In the event any of PM's invoices are not paid in accordance with the terms of this agreement, PM may elect, at PM's sole discretion, to suspend work until PM receives payment in full for all amounts due or terminate this engagement. In the event that work is suspended, for nonpayment or other reasons, and subsequently resumed, PM offers no guarantee, express or implied, that PM will be able to meet any previously established deadlines related to the completion of PM's audit work or issuance of PM's audit report upon resumption of PM's work. GJRAA agrees that in the event PM stops work or terminates this Agreement as a result of GJRAA's failure to pay fees on a timely basis for services rendered by PM as provided in this Agreement, or if PM terminates this Agreement for any other reason, PM shall not be liable for any damages that occur as a result of PM ceasing to render services.
- 20. Fee Adjustments** – Any fee adjustments for reasons described elsewhere in this agreement will be determined based on the actual time expended by PM staff at PM's current hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred, and included as an adjustment to PM's invoices related to this engagement. GJRAA acknowledges and agrees that payment for all such fee adjustments will be made in accordance with the payment terms provided in this agreement.
- 21. Conditions of PM Visit to GJRAA Facilities** – GJRAA agrees that some or all of PM's services may be provided remotely. In order to facilitate the provision of services remotely, GJRAA agrees to provide documentation and other information reasonably required by PM for PM's performance of the engaged services electronically to the extent possible throughout the course of the engagement. In the event in-person visits to GJRAA's facility(ies) are requested by GJRAA or otherwise determined by PM to be necessary for the performance of the engaged services, GJRAA agrees, upon PM's request, to provide to PM GJRAA's policies and procedures that GJRAA has implemented relating to workplace safety and the prevention of the transmission of disease at its facility(ies). In addition, GJRAA affirms that it is in compliance with applicable Centers for Disease Control and Prevention and OSHA guidance pertaining to the prevention of the transmission of disease (collectively, "Applicable Preventative Guidance") and agrees that it shall continue to comply with Applicable Preventative Guidance throughout any in-person visits by PM to GJRAA's facility(ies). Notwithstanding the foregoing, PM reserves the right to suspend or refrain from any in-person visit by PM to GJRAA's facility(ies) or impose further conditions on any such in-person visit if and as PM deems necessary. GJRAA agrees and acknowledges that any determination by PM to visit GJRAA's facility(ies) is not and shall not be construed to be or relied on by GJRAA as a determination by PM of GJRAA's compliance with Applicable Preventative Guidance.
- 22. Release for Biological Agent Liability** – GJRAA acknowledges that there is an inherent risk of exposure to COVID-19 or other infectious diseases associated with any in-person interaction or in-person visit to property. Accordingly, GJRAA, for itself and its successors and assigns, hereby releases PM and each of PM's officers, directors, partners, members, managers, employees, affiliated, parent or subsidiary entities, and approved third party service providers (collectively, "PM Persons") from any and all claims or causes of action that the GJRAA has, or hereafter may or shall have, against any of them in connection with, related to, or arising out of COVID-19 or other infectious diseases or the transmission thereof associated with a visit by one or more of the PM Persons to any GJRAA facility(ies) or other in-person interaction with GJRAA personnel.
- 23. Exclusion of Certain Damages** – In no event shall either party be liable to the other, whether a claim be in tort, contract, or otherwise, for any indirect, consequential, punitive, exemplary, lost profits, or similar damages in claims relating to PM's services provided under this engagement.
- 24. Receipt of Legal Process** – In the event PM is required to respond to a subpoena, court order, or other legal process (in a matter involving GJRAA but not PM) for the production of documents and/or testimony relative to information PM obtained and/or prepared during the course of this engagement, GJRAA agrees to compensate PM for the affected PM staff's time at such staff's current hourly rates, and to reimburse PM for all of PM's out-of-pocket costs incurred associated with PM's response unless otherwise reimbursed by a third party.
- 25. Subsequent Discovery of Facts** – After the date of PM's report on the financial statements, PM has no obligation to make any further or continuing inquiry or perform any other auditing procedures with respect to the audited financial statements covered by PM's report, unless new information that may affect the report comes to PM's attention. If PM becomes aware of information that relates to these financial statements but was not known to PM at the date of its report, and that is of such a nature and from such a source that PM would have investigated it had it come to PM's attention during the course of the audit, PM will, as soon as practicable, undertake to determine whether the information is reliable and whether the facts existed at the date of PM's report. In this connection, PM will discuss the matter with GJRAA and request cooperation in whatever investigation and modification of the financial statements that may be necessary. Additional fees for such work will be determined based on the actual time that PM staff expend at PM's current hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred, and GJRAA acknowledges and agrees that payment for all such additional fees will be made in accordance with the payment terms provided in this agreement.

Professional Services Agreement – Audit Services

- 26. Termination of Engagement** – This agreement may be terminated by either party upon written notice. Upon notification of termination, PM's services will cease, and PM's engagement will be deemed to have been completed. GJRAA will be obligated to compensate PM for all time expended and to reimburse PM for all out-of-pocket expenditures through the date of termination of this engagement.
- 27. Entire Agreement** – This agreement is contractual in nature and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this Agreement supersede any prior oral or written representations or commitments by or between the parties regarding the subject matter hereof. Any material changes or additions to the terms set forth in this Agreement will only become effective if evidenced by a written amendment to this agreement, signed by all of the parties.
- 28. Severability** – If any provision of this agreement (in whole or part) is held to be invalid or otherwise unenforceable, the other provisions shall remain in full force and effect.
- 29. Force Majeure** – Neither party shall be deemed to be in breach of this agreement as a result of any delays or non-performance directly or indirectly resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire or other casualty, acts of God, war, other violence, epidemic, pandemic or other public health emergency or government mandated shut down (each individually a "Force Majeure Event"). A Force Majeure Event shall not excuse any payment obligation relating to fees or costs incurred prior to any such Force Majeure Event.
- 30. Signatures** – Any electronic signature transmitted through DocuSign or manual signature on this Agreement transmitted by facsimile or by electronic mail in portable document format may be considered an original signature.
- 31. Governing Law** – This agreement shall be governed by and construed in accordance with the laws of the State of Colorado, and jurisdiction over any action to enforce this agreement, or any dispute arising from or relating to this agreement shall reside exclusively within the State of Colorado.

End of Professional Services Agreement – Audit Services



550 United Plaza Blvd., Ste. 1001 - Baton Rouge, LA 70809
225-922-4600 Phone - 225-922-4611 Fax - pncpa.com

A Professional Accounting Corporation

Report on the Firm's System of Quality Control

To the Partners of
Plante & Moran, PLLC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Plante & Moran, PLLC (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, audits performed under FDICIA, an audit of a broker-dealer, and examinations of service organizations (SOC 1 and SOC 2 engagements).

As part of our peer review, we considered reviews by regulatory entities as communicated to the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Plante & Moran, PLLC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Plante & Moran, PLLC has received a peer review rating of *pass*.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 27, 2019

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	Lease Assignment and Consent to Lease Assignment – DASU, LLC and MCCLYMOND AVIATION, LLC		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Approval of lease assignment between DASU, LLC and MCCLYMOND AVIATION, LLC and authorize the Executive Director to execute the agreement.		
SUMMARY:	Dale and Susan Beede of DASU, LLC are selling their property at 2874 Aviators Way to Tyler and Katherine McClymond of McClymond Aviation, LLC. The lease to be assigned has an expiration date of February 16, 2029, with four five-year renewal options. This action provides for the assignment of the lease from DASU, LLC to MCCLYMOND AVIATION, LLC.		
REVIEWED BY:	Executive Director and Legal Counsel		
FISCAL IMPACT:	None		
ATTACHMENTS:	Assignment of Aeronautical Use Ground Lease and Consent to Assignment. (Full lease document available upon request.)		
STAFF CONTACT:	Chance Ballegeer cballegeer@gjairport.com (970) 248-8586		

**ASSIGNMENT OF AERONAUTICAL USE GROUND LEASE
AND CONSENT TO ASSIGNMENT**

This Assignment of Aeronautical Use Ground Lease and Consent to Assignment (this "Agreement") is entered into this 19th day of October 2021, by DASU, LLC ("DASU"), and MCCLYMOND AVIATION, LLC ("MCCLYMOND"), and which is consented to by the GRAND JUNCTION REGIONAL AIRPORT AUTHORITY ("GJRAA") (together the "Parties").

Recitals

WHEREAS, GJRAA and DASU entered into an Aeronautical Use Ground Lease, with a commencement date of August 1, 2017, and a term that will expire on February 16, 2029, subject to four five-year extensions ("Lease").

WHEREAS, DASU is in the process of selling the improvements on the leased premises ("Improvements") to MCCLYMOND and seeks to assign the Lease to MCCLYMOND.

WHEREAS, sale of the Improvements and assignment of the Lease require GJRAA's written consent.

THEREFORE, in consideration of the agreements set forth herein, as well as for other good and valuable consideration, all Parties agree as follows:

Agreement

1. DASU hereby assigns and transfers to MCCLYMOND all of its rights, title, and interest in, to, and under the Lease. MCCLYMOND hereby accepts the assignment of the Lease and agrees to assume and perform all obligations, liabilities, and responsibilities of DASU under the Lease, which will arise or be incurred, or which are required to be performed, on or after the closing between DASU and MCCLYMOND for the sale of the Improvements. DASU will remain responsible for all obligations, liabilities, and responsibilities under the Lease which accrued prior to the closing.
2. This Agreement is to become effective on the date of the closing for the sale of the Improvements, which date is _____, 2021 (to be handwritten by the GJRAA and final copies of the Agreement transmitted to the Parties). This date shall be referred to herein as the "Effective Date". Should such closing not be completed by **November 10, 2021**, this Agreement, including the consent of GJRAA, shall become null and void.
3. Subject to the conditions set forth in Paragraph 2, above, GJRAA releases DASU from any and all obligations under the Lease that accrue on or after the Effective Date, except for any hold harmless and/or indemnification obligations that DASU may have under the Lease, but which may arise after the Effective Date. However, this release is contingent upon MCCLYMOND's agreement to assume and perform all obligations, liabilities, and responsibilities of DASU under

the Lease. Additionally, this release shall not be construed as a consent or waiver of any rights that GJRAA has to object to any subsequent sublease or assignment of the Lease.

4. DASU hereby agrees to indemnify, defend, and hold MCCLYMOND and GJRAA harmless from and against any and all liabilities, claims, demands, obligations, assessments, losses, costs, damages, and expenses of any nature whatsoever, including, but not limited to, costs and attorney's fees, which MCCLYMOND or GJRAA may incur, sustain, or suffer, or which may be asserted or charged against MCCLYMOND or GJRAA, as a result of DASU's actions or omissions and/or its performance or non-performance of its obligations, duties, responsibilities, covenants, and liabilities under the Lease being assigned prior to the Effective Date.

5. MCCLYMOND hereby warrants, covenants, and agrees to diligently perform and discharge each and all of DASU's obligations, duties, responsibilities, and covenants under the Lease and to indemnify and hold DASU and GJRAA harmless from and against any and all liabilities, claims, demands, obligations, assessments, losses, costs, damages, and expenses of any nature whatsoever, including, but not limited to, costs and attorney's fees, which DASU or GJRAA may incur, sustain, or suffer, or which may be asserted or charged against DASU or GJRAA, as a result of MCCLYMOND's actions or omissions and/or its performance or non-performance of its obligations, duties, responsibilities, covenants, and liabilities under the Lease on or after the Effective Date. Notwithstanding the generality of the foregoing, MCCLYMOND hereby warrants, covenants, and agrees, for illustration and without limitation, to conduct only those permitted uses on the Improvements in accordance with Section 1.12; assume the Lease for the remaining option term(s) set forth in Article 3; pay all rents and fees in accordance with Article 4; remit a security deposit in accordance with Section 4.6; maintain insurance and submit required certificates in accordance with Article 8; and surrender possession upon expiration or early termination in accordance with Article 15.

6. DASU warrants and agrees that, as of the execution date of this Agreement, all payable rents, taxes, and/or assignments pertaining to the Lease or the Improvements have been paid in full.

7. MCCLYMOND certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any governmental department or agency.

8. MCCLYMOND warrants and agrees to comply with the Grand Junction Regional Airport General Aviation Minimum Standards, as may be applicable to commercial aeronautical activities conducted on the leased premises.

9. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

10. This Agreement shall bind and inure to the benefit of the Parties executing this Assignment and Consent to Assignment and their respective heirs, successors, and permitted assigns.

IN WITNESS THEREOF, the Parties hereto have executed this Agreement on the date set forth below their signatures.

DASU, LLC
DALE BEEDE & SUSAN BEEDE
2681 CONTINENTAL DRIVE
GRAND JUNCTION, CO 81506

MCCLYMOND AVIATION, LLC
TYLER & KATHERINE MCCLYMOND
2553 WESTWOOD DRIVE
GRAND JUNCTION, CO 81506

By: *Dale Beede* Member
DALE T. BEEDE

Date: 10/12/2021

By: *Tyler L. McClymond*
Tyler L. McClymond

Date: 10/13/2021

Approval of Assignment of Aeronautical Use Ground Lease

Effective upon proper execution by DASU and MCCLYMOND, and contingent on the closing of the agreement between DASU and MCCLYMOND for the sale of the Improvements, GJRAA hereby consents to the assignment of the Lease to MCCLYMOND. Nothing in this consent shall be construed to expand or extend any term or condition of the Lease, or waive any performance of any term or condition of the Lease, either before, on, or after **October 19, 2021**.

Grand Junction Regional Airport Authority

By: _____

Its: _____

Date: _____

Grand Junction Regional Airport Authority
Agenda Item Summary

TOPIC:	CMT/GJRAA Professional Services Agreement		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Approve the standard agreement for professional services with Crawford, Murphy, & Tilly, Inc. (CMT) for air service development consulting services and delegate authority to the Executive Director to authorize work under proposal option 3 up to \$85,000.		
SUMMARY:	<p>The existing professional services agreement with CMT expires on Oct. 31, 2021. The initial agreement represented a more limited scope of services and charged most tasks on a time and materials basis. The new contract is expanded to include comprehensive on-call service and analysis in addition to the standard monthly reporting and provides for attendance (virtual and in-person) at a pre-defined number of meetings. This will expand CMT's role to be more of an extension of staff providing broad support on air service development efforts.</p> <p>The Catchment/Leakage Study is provided in the proposal as a separate task to be authorized by staff if desired. Given the expense of the study and the uncertainty that remains in the industry staff believes this flexibility is valuable and appropriate.</p> <p>CMT is also advising the GJRASA. Using the same consulting partner eliminates the risk the GJRASA and GJRAA pay for the same work twice, guarantees we are both operating from the same set of information, and ensures the goals of each organization are understood by the firm. CMT proactively brought to our attention the risk of a perceived conflict of interest. To mitigate risk, we have had separate lead consultants who are peers at the firm and our agreements with CMT are set up similarly.</p> <p>Since GJRAA started working with CMT in July of 2020 we have implemented an air service incentive program, celebrated two new routes from incumbent carriers (Allegiant SNA, American LAX) and welcomed two new commercial airlines (Avelo and Frontier). Staff have confidence in the reporting and analysis provided by CMT and recommend authorizing a new professional services contract to provide services through December 31, 2022.</p>		
REVIEWED BY:	Executive Director and Legal Counsel, Dan Reimer		
FISCAL IMPACT:	Up to \$85,000 – Air Service Development		
ATTACHMENTS:	Professional Services Agreement		
STAFF CONTACT:	Angela Padalecki apadalecki@gjairport.com (970) 248-8588		



October 11, 2021

Angela Padalecki
Executive Director
Grand Junction Regional Airport

Dear Angela,

The full team at Crawford, Murphy & Tilly (CMT) has enjoyed working with you and all of your colleagues at the Grand Junction Regional Airport (GJT) over the past year, and we are thankful for the opportunity to present a proposal to continue our work together.

As we discussed earlier this month, we are presenting three different options with varied time periods and engagements included as part of our proposal. All three options include GJT working with a consistent team at CMT and a continuation of the reporting and analysis that we've done over the past year. As the airline and airport industry continues to recover from the COVID-19 pandemic, we've put a focus in our proposal of meetings with airlines both at conferences and during headquarters visits to continue driving above-average growth at GJT.

All three options detailed on the following pages are comprehensive retainer flat fee agreements covering a number of engagements over the term of the agreement. At your request, we are presenting options with non-standard time durations so that they conclude at the end of a calendar year, either with a 14-month or 26-month duration.

The CMT team working with GJT will continue to be led by Harrison Earl, Senior Consultant of Air Service Development and Planning, who will act as GJT's project manager. Harrison will be supported by Rachel Shulman, Senior Consultant of Air Service Development and Economic Analysis. Other members of the CMT team may assist Harrison and Rachel with specific projects, as needed.

All of us at CMT are appreciative of our continued partnership and we look forward to building on our successes from the past year to further develop air service at the Grand Junction Regional Airport.

Sincerely,

CRAWFORD, MURPHY & TILLY, INC.

A handwritten signature in black ink, appearing to read "H. Earl", is positioned above the printed name.

Harrison Earl
Senior Consultant, Air Service Development and Planning

Air Service Development Retainer Options

Base Scope of Work

Each of the retainer options detailed below include the following in-depth scope of work for the Grand Junction Regional Airport to continue achieving air service success. Depending on the time period for each option, a different number of engagements will be provided, but the services provided are consistent.

- On-Call Consultation and Analysis
 - On-call communications and engagements between CMT's consultants and the GJT leadership team.
 - Weekly, monthly, quarterly, and ad hoc air service data reporting as desired by GJT. While we expect all reports that GJT requests to be within this scope, some particularly complex reporting needs may require an additional scope.
 - Availability for consultation on immediate issues or opportunities.
 - Ad-hoc opportunities for training and education of GJT staff on air service analytics
 - Virtual participation in monthly air service alliance meetings
 - Serve as a strategic advisor for the airport on air service and related topics.
- Marketing Strategy
 - Support the airport and the airport's consultant in an advisory subject matter expert role, and supplying any data needed to assist in campaign development and results.
 - Review documents, strategies, creative, or other materials as needed to provide feedback and perspective on materials.
 - Participate in meetings with airport staff, the airport's consultant, and other relevant parties to advance the airport's marketing strategy and campaign efforts.
- Air Service Conference Preparation and Attendance
 - Development of presentations and representation at a number of industry air service development conferences (such as ACI Jumpstart, Routes Americas, Takeoff, etc.).
 - Preparation for the Allegiant Airlines conference each year by developing presentations for airport staff. CMT staff traveling to the Allegiant conference is not included in this scope and costs for travel and time would be mutually agreed upon prior to the conference.
- Airline Headquarters Visits
 - Development of presentations and virtual representation at a number of airline headquarters visits. CMT staff traveling to these visits for in-person support is not included in this scope and costs for travel and time would be mutually agreed upon prior to the visit.
- Meetings with GJT staff and airport board
 - Travel to and in-person attendance at a number of GJT airport board meetings in Grand Junction including all travel costs and time associated with the on-site visit.
 - Virtual attendance at a number of GJT airport board meetings to discuss air service development related topics.

Retainer Options

The number of engagements (conferences, meetings, etc.) in the table below may take place anytime during the contract dates and do not need to be spread evenly throughout the contract. Each retainer has a total cost for the which will be billed in equal monthly increments for the full term of the agreement.

	Option 1 – Full Retainer with Catchment Study	Option 2 – Full Retainer without Catchment Study	Option 3 – Full Retainer without Catchment Study
Contract Term and Dates	26 Months 11/1/21 – 12/31/23	26 Months 11/1/21 – 12/31/23	14 Months 11/1/21 – 12/31/22
Comprehensive On-Call Services and Analysis*	Included	Included	Included
In-Person Air Service Conferences	5	5	3
Preparation for Allegiant Conferences*	2	2	1
Virtual Airline Headquarters Visits and Preparation*	4	4	2
In-Person Meetings with GJT Team and Airport Board	2	2	1
Participation in Virtual GJT Board Meetings*	4	4	2
Catchment/Leakage Study*	Included	Separate Task	Separate Task
Total Contract Cost	\$142,000	\$122,000	\$63,000
Monthly Contract Cost	\$5,462	\$4,692	\$4,500

These prices for each option are inclusive of all customary data costs, and project incidentals including conference entry fees, printing, and communications needed to support the number of engagements described in each option. All tasks described as in-person include all travel expenses. Tasks noted with an asterisk (*) do not include any in-person meeting attendance or travel expenses. Additional tasks or engagements outside this scope and any additional in-person meetings beyond those included in each scope would be conducted on a mutually agreed upon fee prior to starting any work.

Catchment Study

A catchment study is included with Retainer Option 1 and can be added independently to any other option. The catchment study, also called a leakage or diversion study, identifies travelers to and from the Grand Junction region and how they travel, including their airport of choice. The study enables the airport to identify the true market size of local demand, not simply those passengers using GJT. The study includes the following items:

- A detailed leakage study covering all inbound and outbound visitors to Grand Junction within a 90-mile radius of the airport. This study will be presented in a narrative format with maps and tables throughout.
- CMT will incorporate the results from the catchment study in presentations for airlines for conferences and/or headquarters visits.
- A full year of quarterly data updates on the leakage study with a logon and full access to the raw data provided for one GJT official.

STANDALONE STUDY FLAT FEE: \$20,000

This cost for a standalone catchment study is inclusive of all data costs for catchment data and the development of a narrative report for airport leadership. It does not include or anticipate any additional travel or in-person engagement.

STANDARD AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT made between GRAND JUNCTION REGIONAL AIRPORT AUTHORITY, whose address is 2828 Walker Field Drive, Grand Junction, Colorado 81506, hereinafter called the **CLIENT** and Crawford, Murphy & Tilly, Inc., Consulting Engineers, 2750 West Washington Street, Springfield, Illinois 62702, hereinafter called the **CONSULTANT**.

WITNESSETH, that whereas the **CLIENT** desires the following described professional services:

Air Service Development (ASD) Retainer Consulting including the following specific agreed upon tasks for the following fourteen (14) months (and during any renewal periods elected below):

- On-call communications between **CONSULTANT** and **CLIENT**.
- Weekly, monthly, quarterly, and ad hoc air service data reporting as desired by **CLIENT**. While the parties expect all reports that **CLIENT** requests to be within this scope, some particularly complex reporting needs may require an additional scope, including reports utilizing non-standard data, reports requiring interactive components or a database, or reports requiring multiple hours of effort to create.
- Availability for consultation on immediate issues or opportunities.
- Ad-hoc opportunities for training and education of **CLIENT** staff on air service analytics.
- Virtual participation in monthly Air Service Alliance meetings on behalf of **CLIENT**.
- Serve as a strategic advisor to **CLIENT** on air service and related topics.
- Support **CLIENT** in an advisory subject matter expert role, and supplying any data needed to assist in campaign development and results.
- Review documents, strategies, creative, or other materials as needed to provide feedback and perspective on materials.
- Participate in virtual meetings with **CLIENT**, and other individuals as invited by **CLIENT**, to advance **CLIENT's** marketing strategy and campaign efforts.
- Development of presentations and representation at three (3) industry air service development conferences (such as ACI Jumpstart, Routes Americas, Takeoff, etc.), including all travel costs and time associated with the conferences.
- Preparation for one (1) Allegiant Airlines conference by developing presentations for **CLIENT**. The parties do not anticipate this task will include on-site participation by **CONSULTANT** on **CLIENT's** behalf; however, **CLIENT** may request **CONSULTANT's** on-site participation, in which event costs for travel will be invoiced at their actual cost, without markup, and **CONSULTANT's** hourly rates shall be as provided herein.
- Development of presentations and virtual representation at two (2) airline headquarters visits. The parties do not anticipate this task will include on-site participation by **CONSULTANT** on **CLIENT's** behalf; however, **CLIENT** may request on-site participation, in which event costs for travel will be invoiced at their actual cost, without markup, and **CONSULTANT's** hourly rates shall be as provided herein.
- Travel to and in-person attendance at one (1) GJT airport board meetings in Grand Junction, including all travel costs and time associated with the on-site visit.
- Virtual attendance at two (2) GJT airport board meetings to discuss air service development related topics.

Additional Air Service Development services including, but not limited to, catchment studies and economic impact studies, may be requested by CLIENT on a time and expenses or fixed price task order basis, and are in addition to the fixed annual amount specified below.

CONSULTANT will not perform work or give advice related to Air Service Development to another airport within a 100-miles "as the crow flies" radius of the Grand Junction Regional Airport without obtaining prior written consent from CLIENT during the term of this agreement.

NOW THEREFORE, the **CONSULTANT** agrees to provide the above described services and the **CLIENT** agrees to compensate the **CONSULTANT** for these services in the manner checked below:

- ☒ At the annual amount of **\$63,000.00** payable in fourteen (14) equal monthly payments of **\$4,500.00** effective November 1, 2021, for the period November 1, 2021 through December 31, 2022. This covers the specific tasks called out as Air Service Development Retainer Consulting above. For these tasks, this annual amount shall be totally inclusive of all **CONSULTANT** costs, travel costs (for the tasks that include travel as provided herein), and project incidentals, including data costs, printing, and communications.
- ☒ Additional projects as assigned by **CLIENT** to be performed either on a to be agreed upon fixed fee or on a time and expenses basis, in accordance with the attached Schedule of Hourly Charges which is subject to change at the beginning of each calendar year. Reimbursable direct expenses and Professional or Subconsultant services performed by another firm will be invoiced at cost.

IT IS MUTUALLY AGREED THAT, payment for services rendered shall be made monthly in arrears by the **CLIENT**.

IT IS FURTHER MUTUALLY AGREED: The maximum value of this contract is \$85,000.00 for the tasks and scope described above.

The **CLIENT** and the **CONSULTANT** each binds itself, its partners, successors, executors, administrators and assignees to each other party hereto in respect to all the covenants and agreements herein and, except as above, neither the **CLIENT** nor the **CONSULTANT** shall assign, sublet or transfer any part of his interest in this **AGREEMENT** without the written consent of the other party hereto. This **AGREEMENT**, and its construction, validity and performance, shall be governed and construed in accordance with the laws of the State of Colorado. This **AGREEMENT** is subject to the General Conditions attached hereto.

IN WITNESS WHEREOF, the parties hereto have affixed their hands and seals this ____ day of ____, 2021.

CLIENT:

(Client Name)

(Signature)

(Name and Title)

Date

CONSULTANT:

CRAWFORD, MURPHY & TILLY, INC.

Douglas R. Gregory  Digitally signed by Douglas R. Gregory
Date: 2021.10.15 12:17:28-05'00'

(Signature)

Douglas R. Gregory - Manager Aviation Planning

(Name and Title)

10/15/2021

Date

CMT Job No. _____

STANDARD GENERAL CONDITIONS
Crawford, Murphy & Tilly, Inc.

1. Standard of Care

In performing its professional services hereunder, the **CONSULTANT** will use that degree of care and skill ordinarily exercised, under similar circumstances, by members of its profession practicing in the same or similar locality. No other warranty, express or implied, is made or intended by the **CONSULTANT'S** undertaking herein or its performance of services hereunder.

2. Documents and Data – Use by the Parties

- A. Ownership of Data and Documents. All documents including reports and analysis prepared by the **CONSULTANT** pursuant to this Agreement shall become the property of the **CLIENT**, as soon as payment for the same has been completed pursuant to this Agreement. The **CLIENT** may use such documents and data in any manner without liability or legal exposure to the **CONSULTANT**.
- B. Reuse by the Consultant. The **CONSULTANT** may retain copies of documents and data and may use the same on behalf of the **CLIENT** in connection with the work performed under this Agreement or any future agreement between the parties in connection with the Airport. In no event shall the **CONSULTANT** use documents or data generated hereunder for any use unrelated to this Agreement, the **CLIENT** or the Airport, including without limitation for purposes of marketing the **CONSULTANT'S** services to other prospective clients, without the **CLIENT'S** express written permission.

3. Termination

This Agreement may be terminated by either party upon seven days prior written notice. In the event of termination, the **CONSULTANT** shall be compensated by the **CLIENT** for all satisfactory services performed up to and including the termination date, including reimbursable expenses.

4. Parties to the Agreement

The services to be performed by the **CONSULTANT** under this Agreement are intended solely for the benefit of the **CLIENT**. Nothing contained herein shall confer any rights upon or create any duties on the part of the **CONSULTANT** toward any person or persons not a party to this Agreement including, but not limited to any contractor, subcontractor, supplier, or the agents, officers, employees, insurers, or sureties of any of them.

5. Independent Contractor

The parties agree that the **CONSULTANT** shall be an independent contractor and shall not be an employee, agent, or servant of the **CLIENT**. The **CONSULTANT** is not entitled to workers' compensation benefits from the **CLIENT** and is obligated to pay federal and state income tax on any money earned pursuant to this Agreement.

5. Construction and Safety

N/A

6. Payment

See prior page

7. Indemnification for Release of Pollutants

N/A

8. Risk Allocation ☒ Check box if this does not apply

N/A

9. Insurance

- A. The **CONSULTANT** shall procure and maintain at its expense during the effective period of this Agreement the following insurance from insurance companies authorized to do business in Colorado, covering all operations and Services under this Agreement performed by the **CONSULTANT**.
 - a. Worker's Compensation Insurance in amounts not less than \$1,000,000 per occurrence and in accordance with the provisions of the Colorado Workers' Compensation Act.
 - b. Commercial General Liability in amounts not less than \$2,000,000 combined single limit per occurrence and \$4,000,000 aggregate of bodily injury, personal injury, and property damage with endorsements to include broad form contractual, and broad form property damage.
 - c. Automobile Liability, Bodily Injury and Property Damage with a limit of \$1,000,000 per occurrence, combined single limit including owned, hired and non-owned autos.
 - d. Professional Liability Insurance in amounts not less than \$1,000,000 per claim and \$2,000,000 annual aggregate.
- B. The **CONSULTANT** shall furnish to the **CLIENT** a certificate, or certificates, of insurance showing compliance with this section. The certificate(s) shall provide that the insurance shall not be cancelled unless ten (10) days written notice shall have been given to the **CLIENT**.

- C. The **CONSULTANT** agrees to include the insurance requirements set forth in this Agreement in all subcontracts. The **CLIENT** shall hold the **CONSULTANT** responsible in the event any subcontractor fails to have insurance meeting the requirements set forth in this Agreement. The **CLIENT** reserves the right to approve variations in the insurance requirements applicable to subcontractors upon joint written request of subcontractor and the **CONSULTANT** if, in the **CLIENT**'s opinion, such variations do not substantially affect the **CLIENT**'s interests.

10. Liability

The **CONSULTANT** hereby covenants and agrees to indemnify, save, and hold harmless the **CLIENT**, its officers, employees, and agents from any and all liability, loss, costs, charges, obligations, expenses, reasonable attorneys' fees, litigation, judgments, damages, claims, and demands of any kind whatsoever arising from or out of any negligent act or omission of the **CONSULTANT**, its officers, employees, or agents in the performance or nonperformance of its obligations under this Agreement.

11. Governing Law

This Agreement shall be deemed to have been made in, and shall be construed in accordance with the laws of the State of Colorado. Any lawsuit related to or arising out of disputes under this Agreement shall be commenced and tried in Mesa County, Colorado. Prior to, and as a condition of seeking judicial relief, the **CONSULTANT** shall submit a written petition to the Airport Executive Director identifying the specific dispute and the **CONSULTANT**'s position, and the Airport Executive Director shall thereafter make a timely finding and proposed resolution of the dispute.

12. Subordination

This Agreement shall be subordinate to the provisions of any existing or future agreements between the **CLIENT** and the United States, relative to the development or improvement of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport. This Agreement further shall be subordinate to the terms and conditions of the Authority Bond Resolution and, in the event of a conflict between this Agreement and the Bond Resolution, the Bond Resolution shall control.

13. Governmental Immunity Act

No term or condition of this Agreement shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions of the Colorado Governmental Immunity Act, C.R.S. § 24-10-101 et seq.

14. Colorado Open Records Act

The **CONSULTANT** acknowledges that the **CLIENT** is subject to the provisions of the Colorado Open Records Act, Colorado Revised Statutes § 24-72-201 et seq., and the **CONSULTANT** agrees that it will fully cooperate with the **CLIENT** in the event of a request or lawsuit arising under such act for the disclosure of any materials or information which the **CONSULTANT** asserts is confidential and exempt from disclosure. Any other provision of this Agreement notwithstanding, including exhibits, attachments, and other documents incorporated into this Agreement by reference, all materials, records, and information provided by the **CONSULTANT** to the **CLIENT** shall be considered confidential by the **CLIENT** only to the extent provided in the Colorado Open Records Act, and the **CONSULTANT** agrees that any disclosure of information by the **CLIENT** consistent with the provisions of the Colorado Open Records Act shall result in no liability of the **CLIENT**. To the extent not prohibited by federal law, this Agreement is subject to public release through the Colorado Open Records Act.

15. Civil Rights Non-Discrimination

CONSULTANT agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. If **CONSULTANT** transfers its obligations under this Agreement to another, the transferee is obligated in the same manner as **CONSULTANT**. This provision obligates **CONSULTANT** during the term of this Agreement. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

During the performance of this Agreement, **CONSULTANT** for itself, its assignees, and successors in interest, agrees to comply with the following non-discrimination statutes and authorities: Title VI of the Civil Rights Act of 1964 (42 USC § 2000d et seq., 78 stat. 252); 49 CFR part 21 (Non-discrimination in Federally-assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964); the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601); Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 et seq.), as amended, and 49 CFR part 27; the Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq.); the Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended; the Civil Rights Restoration Act of 1987 (PL 100-209); Titles II and III of the Americans with Disabilities Act of 1990 (42 USC §§ 12131 – 12189) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38; Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations; Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency; and Title IX of the Education Amendments of 1972, as amended..

16. Authority

Each person signing this Agreement, and any addendums or attachments hereto, represents and warrants that said person is fully authorized to enter and execute this Agreement and to bind the Party it represents to the terms and conditions hereof.

CRAWFORD, MURPHY & TILLY, INC.
STANDARD SCHEDULE OF HOURLY CHARGES
JANUARY 1, 2021

Classification	Regular Rate
Principal Principal Air Service Development	\$ 230
Project Engineer II Project Architect II Project Manager II Senior Consultant Air Service Development	\$ 220
Project Engineer I Project Architect I Project Manager I Project Structural Engineer I	\$ 190
Sr. Structural Engineer II	\$ 175
Sr. Technician II	\$ 160
Aerial Mapping Specialist	\$ 155
Sr. Engineer I Sr. Architect I Sr. Structural Engineer I Land Surveyor	\$ 150
Technical Manager II Environmental Scientist III	\$ 140
Sr. Technician I	\$ 135
Sr. Planner I GIS Specialist Engineer I Architect I Structural Engineer I	\$ 130
Environmental Scientist II Technician II	\$ 115
Planner I Technical Manager I Environmental Scientist I Technician I Project Administrative Assistant	\$ 95
Administrative/Accounting Assistant	\$ 60

If the completion of services on the project assignment requires work to be performed on an overtime basis, labor charges above are subject to a 15% premium. These rates are subject to change upon reasonable and proper notice. In any event this schedule will be superseded by a new schedule effective January 1, 2022.

Out of pocket direct costs will be added at actual cost for blueprints, supplies, transportation and subsistence and other miscellaneous job-related expenses directly attributable to the performance of services. A usage charge may be made when specialized equipment is used directly on the project.

Subconsultant services furnished to CMT by another company will be invoiced at actual cost, plus ten percent.

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	Public Hearing – 2022 Draft Budget		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input checked="" type="checkbox"/>	Decision <input type="checkbox"/>
RECOMMENDATION:	N/A		
SUMMARY:	<p>The attached materials represent the draft 2022 budget and includes a detailed description of the assumptions used to develop revenue and expense estimates. In accordance with Colorado Revised Statutes §29-1-108(1) the GJRAA is holding a public hearing to consider the adoption of the budget so the objections of the electors can be considered.</p> <p>The budget is based on a conservative estimate of passenger and activity levels in 2022. Commercial airline capacity (seats) and passenger enplanements are budgeted to be within 10% of 2019 levels. The budget also targets \$1,000,000 of income from operations while keeping most rates and charges flat and decreasing airline fees by 5%.</p> <p>The capital expense budget anticipates an aggressive construction schedule and a return of the required 10% AIP project match. This results in a \$28.3M capital expense budget for AIP and grant funded projects and corresponding grant revenue of \$27.1M. Additionally, the Airport plans to invest up to \$2M in airport-funded development and improvement projects in 2022.</p> <p>Staff reviewed the initial draft budget with the Finance and Audit Committee on September 16 and publicly presented the initial draft at the October 5th meeting.</p> <p>Additional comments and feedback will be accepted and incorporated into a final draft budget to be presented for adoption in November.</p>		
REVIEWED BY:	Executive Director and Legal Counsel		
FISCAL IMPACT:	Total Appropriations for 2022: \$37,059,000 Operating – \$5,268,000 Debt Service – \$1,505,000 Capital – \$30,286,000		
ATTACHMENTS:	2022 DRAFT Budget Summary		
STAFF CONTACT:	Sarah Menge Email: SMenge@gjairport.com Office: (970) 248-8581		

GRAND JUNCTION REGIONAL AIRPORT AUTHORITY 2022 BUDGET ASSUMPTIONS

2022 Budget Objective and Assumptions

- ➔ **2022 Budget Objective:** When developing the 2022 budget, our objective was to generate \$1M in operating net income while maintaining or lowering airline rates and charges. The \$1M target for operating net income represents the estimated match amount that would be required by the airport for \$10M in AIP projects and the minimum level of cash that we need to generate from operations to continue to fund projects without significantly reducing cash reserves. Relief grants received from CARES Act, Airport Coronavirus Relief Grant Program (ACRGP), and the American Rescue Plan Act (ARPA) have put the airport in a stronger financial position than we were in prior to the pandemic. As commercial airline activity returns to more normal pre-pandemic levels our goal is to set budget targets around financial sustainability and performance.
- ➔ **Operating Revenue:** Based on assumptions for commercial landings, passenger numbers, cargo activity and incorporating a 5% decrease in the airline rates and charges, 2022 operating revenue is budgeted at approximately \$6.27M. This level of operating revenue is approximately 9% lower than actual revenues earned in 2019, but is within 1% of the original 2019 budget. The operating revenue budget reflects conservative commercial airline activity and passenger levels that are below 2019 actual numbers. Although the airport has had record numbers of passengers in the summer of 2021, the activity levels and budget protect for another decline in travel in the winter months. GJRAA is confident that the revenue budget is achievable based on discussions with the airlines and currently available schedules.
- ➔ **Operating Expense:** At the beginning of the pandemic, the Grand Junction Regional Airport Authority (GJRAA) identified all discretionary cost that could be reduced and identified non-essential repairs and purchases to be delayed to maintain our financial position with decreasing revenues. With the relief funds received from the federal government and a faster than expected recovery in activity, the 2022 budget reflects a reinstatement of discretionary costs that were previously cut. The budget also includes amounts for additional staffing and a proposed increase to existing staff wages that were held flat in 2021. Comparatively, the 2022 operating expense budget is 8.2% higher than the 2021 budget and 4.4% higher than the 2019 budget. Even with the conservative activity assumptions, GJRAA estimates that all proposed operating expenses can be covered and still achieve a net operating income of \$1M.
- ➔ **Non-Operating Revenue and Expense:** Non-operating revenues and expenses include restricted PFC and CFC revenues that must be spent on capital projects, scheduled debt service payments of principle and interest, interest income, capital expenses, capital contributions (grants), and relief funds from the ACRGP and ARPA grants. The most significant change in non-operating revenues and expenses is projected capital expenditures in excess of \$30M in 2022 and grant revenues for associated with projects totaling approximately \$27M. The increase from prior years represents the anticipated projects to be completed under the Airport Improvement Program (AIP) funded by the FAA and the rehabilitation of 4/22 to be funded by the Colorado Department of Transportation. In addition to grant funded projects, GJRAA plans to invest up to \$2M in airport funded improvement projects as we receive input from our Airport Development plan and work on identified deferred maintenance costs. The net budgeted cash inflow from all non-operating activity is approximately \$106k.
- ➔ **Net Change in Position (Budgetary Basis):** The resulting net change in position for the 2022 budget is a positive increase of \$1.1M. With the faster than expected recovery and federal relief grants totaling over \$11.1M, the GJRAA's overall financial position is stronger than the pre-pandemic levels.

GRAND JUNCTION REGIONAL AIRPORT AUTHORITY
2022 BUDGET

Account Name	2018 Actual	2019 Actual	2020 Actual	2018-2020 Avg	2021 Budget	2021 Forecast	2022 Budget
OPERATING REVENUE							
Aeronautical revenue							
Total Passenger Airline Revenue	\$ 1,844,804	\$ 1,944,134	\$ 1,730,600	\$ 1,840,000	\$ 1,648,100	\$ 1,747,100	\$ 1,798,000
Total Non-passenger airline revenue	934,762	917,810	871,975	908,000	755,600	829,000	841,000
Total Aeronautical revenue	2,779,566	2,861,944	2,602,575	2,748,000	2,403,700	2,576,100	2,639,000
Non-aeronautical revenue	3,727,080	4,001,968	2,621,069	3,450,000	2,473,500	3,212,300	3,629,000
Total Operating revenues	6,506,646	6,863,912	5,223,644	6,198,000	4,877,200	5,788,400	6,268,000
OPERATING EXPENSES							
Personnel compensation and benefits	2,107,101	2,418,859	2,367,812	2,298,000	2,624,800	2,501,000	2,694,000
Communications and utilities	305,526	304,206	308,588	306,000	317,900	311,000	349,000
Supplies and materials	545,176	574,359	426,306	515,000	360,900	528,000	537,000
Contract services	579,037	603,586	581,417	588,000	754,000	743,300	789,000
Repairs & maintenance	390,624	568,063	327,019	429,000	369,500	395,400	378,000
Insurance	92,983	108,989	122,503	108,000	132,000	135,000	140,000
Other	241,841	240,688	173,047	219,000	311,600	249,000	381,000
Total Operating Expenses	4,262,288	4,818,750	4,306,692	4,463,000	4,870,700	4,862,700	5,268,000
Net Revenue (Expense) from Operations	2,244,358	2,045,162	916,952	1,735,000	6,500	925,700	1,000,000
NON-OPERATING REVENUE (EXPENSE)							
Passenger facility charges (restricted rev)	1,019,592	1,050,179	614,796	895,000	625,200	939,500	1,004,000
Interest income	197,675	225,138	67,958	164,000	41,600	41,600	38,000
Interest expense	(840,226)	(810,176)	(789,021)	(813,000)	(768,500)	(768,500)	(740,000)
Customer facility charges (restricted rev)	724,213	741,145	278,624	581,000	393,000	599,300	636,000
Capital contributions	10,154,050	6,004,320	5,611,443	7,257,000	18,417,000	20,164,000	27,157,000
Capital expenditures - AIP	(13,220,803)	(6,560,738)	(5,931,973)	(8,571,000)	(19,022,000)	(20,209,000)	(28,286,000)
Capital expenditures - Non-AIP	(1,473,722)	(5,034,054)	(2,269,262)	(2,926,000)	(1,781,500)	(1,781,500)	(2,000,000)
Debt principle payments	(1,132,346)	(924,673)	(728,349)	(928,000)	(735,000)	(735,000)	(765,000)
Total relief grant funding	1,594	-	4,094,829	1,365,000	2,102,900	4,000,000	3,062,000
Total Non-operating Revenue (Expense)	(4,569,973)	(5,308,859)	949,045	(2,976,000)	(727,300)	2,250,400	106,000
Net Change in Position (Budgetary Basis)	\$ (2,325,615)	\$ (3,263,697)	\$ 1,865,997	\$ (1,241,000)	\$ (720,800)	\$ 3,176,100	\$ 1,106,000
Actual/Projected Ending Cash Balance							
Restricted Cash		\$ 8,287,328	\$ 1,996,733			\$ 1,696,033	\$ 2,332,033
Unrestricted Cash		4,082,138	10,041,100			13,517,900	13,987,900
Total Cash Balance		<u>\$ 12,369,466</u>	<u>\$ 12,037,833</u>			<u>\$ 15,213,933</u>	<u>\$ 16,319,933</u>

GJRAA
2022 BUDGET
Company Wide - Operating Revenue Summary

								Variance to 18-20 Avg		Variance to 2021		Variance to 2021		
								Actual		Budget		Forecast		
Account Name		2018 Actual	2019 Actual	2020 Actual	2018-2020 Avg	2021 Budget	2021 Forecast	2022 Budget	\$	%	\$	%	\$	%
OPERATING REVENUE														
Aeronautical revenue														
Passenger airline revenue														
A	Passenger airline landing fees	549,237	632,143	466,624	549,300	399,000	578,000	558,000	8,700	1.6%	159,000	39.8%	(20,000)	-3.5%
B	Terminal rent	1,181,844	1,183,776	1,240,942	1,202,200	1,235,000	1,155,000	1,215,000	12,800	1.1%	(20,000)	-1.6%	60,000	5.2%
C	Other Passenger Airline Revenue	113,723	128,215	23,034	88,300	14,100	14,100	25,000	(63,300)	-71.7%	10,900	77.3%	10,900	77.3%
Total Passenger Airline Revenue		1,844,804	1,944,134	1,730,600	1,839,800	1,648,100	1,747,100	1,798,000	(41,800)	-2.3%	149,900	9.1%	50,900	2.9%
Non-passenger airline revenue														
D	Non-passenger landing fees	179,585	102,453	224,966	169,000	106,000	106,000	100,000	(69,000)	-40.8%	(6,000)	-5.7%	(6,000)	-5.7%
E	Cargo and hangar rentals	52,213	53,466	54,504	53,400	55,100	55,100	55,000	1,600	3.0%	(100)	-0.2%	(100)	-0.2%
F	State fuel tax disbursement	158,851	210,629	162,808	177,400	138,000	210,000	203,000	25,600	14.4%	65,000	47.1%	(7,000)	-3.3%
G	Fuel flowage fee - capital	249,701	249,836	197,104	232,200	212,400	212,400	221,000	(11,200)	-4.8%	8,600	4.0%	8,600	4.0%
G	Fuel flowage fee - operations	255,547	254,083	200,455	236,700	212,400	212,400	221,000	(15,700)	-6.6%	8,600	4.0%	8,600	4.0%
H	Fuel sales - airside	32,985	37,563	25,868	32,100	23,600	25,000	34,000	1,900	5.9%	10,400	44.1%	9,000	36.0%
I	Rapid refuel	4,440	8,340	3,390	5,400	6,700	6,700	6,000	600	11.1%	(700)	-10.4%	(700)	-10.4%
I	Airplane ramp parking	1,440	1,440	2,880	1,900	1,400	1,400	1,000	(900)	-47.4%	(400)	-28.6%	(400)	-28.6%
Total Non-passenger airline revenue		934,762	917,810	871,975	908,100	755,600	829,000	841,000	(67,100)	-7.4%	85,400	11.3%	12,000	#DIV/0!
Total Aeronautical revenue		2,779,566	2,861,944	2,602,575	2,747,900	2,403,700	2,576,100	2,639,000	(108,900)	-4.0%	235,300	9.8%	62,900	#DIV/0!
Non-aeronautical revenue														
J	Land and building leases	596,586	601,551	607,304	601,800	591,000	591,000	595,000	(6,800)	-1.1%	4,000	0.7%	4,000	0.7%
K	Terminal - restaurant & retail	142,064	170,590	91,906	134,900	77,000	146,000	160,000	25,100	18.6%	83,000	107.8%	14,000	9.6%
L	Rent - office space	199,259	180,686	182,884	187,600	174,400	174,400	162,000	(25,600)	-13.6%	(12,400)	-7.1%	(12,400)	-7.1%
M	Total rental car revenue	1,270,226	1,306,055	898,477	1,158,300	749,700	1,080,300	1,376,000	217,700	18.8%	626,300	83.5%	295,700	27.4%
K	Parking and ground transportation	1,442,889	1,663,556	790,594	1,299,100	830,800	1,170,000	1,298,000	(1,100)	-0.1%	467,200	56.2%	128,000	10.9%
N	Security fee	32,257	36,922	25,314	31,500	37,000	37,000	25,000	(6,500)	-20.6%	(12,000)	-32.4%	(12,000)	-32.4%
O	Other revenue	43,799	42,608	24,590	37,000	13,600	13,600	13,000	(24,000)	-64.9%	(600)	-4.4%	(600)	-4.4%
Total Non-aeronautical revenue		3,727,080	4,001,968	2,621,069	3,450,200	2,473,500	3,212,300	3,629,000	178,800	5.2%	1,155,500	46.7%	416,700	13.0%
Total Operating revenues		\$ 6,506,646	\$ 6,863,912	\$ 5,223,644	\$ 6,198,100	\$ 4,877,200	\$ 5,788,400	\$ 6,268,000	\$ 69,900	1.1%	\$ 1,390,800	28.5%	\$ 479,600	8.3%

GJRAA
2022 BUDGET
Company Wide - Operating Expenses

Account Name	2018 Actual	2019 Actual	2020 Actual	2018-2020 Avg	2021 Budget	2021 Forecast	2022 Budget	Variance to 18-20 Avg		Variance to 2021 Budget		Variance to 2021 Forecast	
								\$	%	\$	%	\$	%
P Salaries-Full Time	1,559,429	1,778,948	1,751,866	1,697,000	1,852,200	1,759,000	1,900,000	203,000	12.0%	47,800	2.6%	141,000	8.0%
P Medicare - 1.45% Er	21,284	38,274	13,055	24,000	27,100	28,000	28,000	4,000	16.7%	900	3.3%	-	0.0%
P Pera - 14.2% Er/Pension	198,601	230,617	232,039	220,000	266,200	252,000	271,000	51,000	23.2%	4,800	1.8%	19,000	7.5%
P 401(K) Er	31,422	43,940	46,227	41,000	64,300	65,000	65,000	24,000	58.5%	700	1.1%	-	0.0%
Q Health Insurance Er	254,538	253,517	272,585	260,000	320,000	296,000	335,000	75,000	28.8%	15,000	4.7%	39,000	13.2%
P Health & Wellness Benefit	2,260	3,128	2,062	2,000	6,000	8,000	5,000	3,000	150.0%	(1,000)	-16.7%	(3,000)	-37.5%
P Life Insurance Er	5,387	5,111	5,688	5,000	9,300	10,000	8,000	3,000	60.0%	(1,300)	-14.0%	(2,000)	-20.0%
P Suta Er	5,330	2,335	2,550	3,000	5,700	9,000	6,000	3,000	100.0%	300	5.3%	(3,000)	-33.3%
P Worker Compensation	28,850	62,989	41,740	45,000	74,000	74,000	76,000	31,000	68.9%	2,000	2.7%	2,000	2.7%
Personnel compensation and benefits	2,107,101	2,418,859	2,367,812	2,297,000	2,624,800	2,501,000	2,694,000	397,000	17.3%	69,200	2.6%	193,000	7.7%
R Utilities-Gas	20,693	18,866	20,458	20,000	25,300	30,000	25,000	5,000	25.0%	(300)	-1.2%	(5,000)	-16.7%
R Utilities-Electric	208,313	211,448	222,147	214,000	214,800	218,000	242,000	28,000	13.1%	27,200	12.7%	24,000	11.0%
R Utilities-Water	19,115	18,752	12,387	17,000	21,700	15,000	20,000	3,000	17.6%	(1,700)	-7.8%	5,000	33.3%
R Utilities-Trash	14,724	14,826	13,471	15,000	15,700	13,000	15,000	-	0.0%	(700)	-4.5%	2,000	15.4%
R Utilities-Sewer	7,589	6,437	6,567	7,000	7,600	7,000	7,000	-	0.0%	(600)	-7.9%	-	0.0%
R Cell Phones	17,031	16,475	16,286	16,000	14,500	11,000	19,000	3,000	18.8%	4,500	31.0%	8,000	72.7%
R Phone Service	18,061	17,402	17,272	18,000	18,300	17,000	21,000	3,000	16.7%	2,700	14.8%	4,000	23.5%
Communications and utilities	305,526	304,206	308,588	307,000	317,900	311,000	349,000	42,000	13.7%	31,100	9.8%	38,000	12.2%
Employee Recognition	6,086	6,497	13,016	9,000	7,000	7,000	9,000	-	0.0%	2,000	28.6%	2,000	28.6%
Uniforms	16,895	15,091	12,302	15,000	17,800	15,000	20,000	5,000	33.3%	2,200	12.4%	5,000	33.3%
Office Supplies	4,223	2,688	1,618	3,000	3,000	2,000	3,000	-	0.0%	-	0.0%	1,000	50.0%
S Materials & Supplies	74,786	89,053	95,962	87,000	83,200	85,000	93,000	6,000	6.9%	9,800	11.8%	8,000	9.4%
S COVID-19 Materials & Supplies	-	-	23,808	8,000	-	-	-	(8,000)	-100.0%	-	0.0%	-	0.0%
Board Expense	4,178	3,888	3,013	4,000	6,000	6,000	6,000	2,000	50.0%	-	0.0%	-	0.0%
Postage & Shipping	1,523	760	714	1,000	1,500	1,000	1,000	-	0.0%	(500)	-33.3%	-	0.0%
Scheduled Replacements	7,944	-	-	3,000	-	-	-	(3,000)	-100.0%	-	0.0%	-	0.0%
T Tools & Equipment	150,171	134,959	73,430	120,000	59,800	90,000	100,000	(20,000)	-16.7%	40,200	67.2%	10,000	11.1%
U Glycol Disposal	10,240	15,520	12,800	13,000	18,000	18,000	20,000	7,000	53.8%	2,000	11.1%	2,000	11.1%
Runway Deicing	-	-	17	-	-	3,500	-	-	-100%	-	0.0%	(3,500)	-100.0%
Snow Removal	3,256	8,933	2,470	5,000	8,500	8,500	7,000	2,000	40.0%	(1,500)	-17.6%	(1,500)	-17.6%
Wildlife Control	963	3,284	2,328	2,000	3,500	6,000	3,000	1,000	50.0%	(500)	-14.3%	(3,000)	-50.0%
Runway & Taxiway Lighting	4,925	11,103	12,833	10,000	10,000	10,000	10,000	-	0.0%	-	0.0%	-	0.0%
Firefighting Supplies	1,735	7,350	6,324	5,000	6,000	6,000	6,000	1,000	20.0%	-	0.0%	-	0.0%
V Fuel - Diesel	27,389	30,939	21,660	27,000	19,600	20,000	28,000	1,000	3.7%	8,400	42.9%	8,000	40.0%
V Fuel - Unleaded	227,377	241,013	140,674	203,000	112,000	243,000	227,000	24,000	11.8%	115,000	102.7%	(16,000)	-6.6%
Oil & Lubricants	3,485	3,281	3,337	3,000	5,000	7,000	4,000	1,000	33.3%	(1,000)	-20.0%	(3,000)	-42.9%
Supplies and materials	545,176	574,359	426,306	518,000	360,900	528,000	537,000	19,000	3.7%	176,100	48.8%	9,000	1.7%
Personnel Services	5,298	2,953	2,627	4,000	6,000	2,000	6,000	2,000	50.0%	-	0.0%	4,000	200.0%
ARFF Physicals	8,070	3,554	6,203	6,000	5,000	5,000	6,000	-	0.0%	1,000	20.0%	1,000	20.0%
W Professional Services - Other	156,781	90,036	42,041	96,000	35,500	35,500	34,000	(62,000)	-64.6%	(1,500)	-4.2%	(1,500)	-4.2%
X Purchased Services	5,459	7,886	8,372	7,000	14,800	14,800	14,000	7,000	100.0%	(800)	-5.4%	(800)	-5.4%
Y Security Guard	165,943	233,948	205,231	202,000	216,800	215,000	267,000	65,000	32.2%	50,200	23.2%	52,000	24.2%
Z Professional Services - Legal	50,642	50,447	91,658	64,000	90,000	110,000	120,000	56,000	87.5%	30,000	33.3%	10,000	9.1%
Professional Services - Acct	42,440	42,874	39,701	42,000	41,900	42,000	43,000	1,000	2.4%	1,100	2.6%	1,000	2.4%
AA Professional Services - It	122,872	105,682	132,739	120,000	120,000	120,000	129,000	9,000	7.5%	9,000	7.5%	9,000	7.5%
AB Professional Svcs - Eng & Plan	1,920	55,094	34,845	31,000	212,000	185,000	150,000	119,000	383.9%	(62,000)	-29.2%	(35,000)	-18.9%
AC Fingerprint Processing	19,612	11,112	18,000	16,000	12,000	14,000	20,000	4,000	25.0%	8,000	66.7%	6,000	42.9%
Contract services	579,037	603,586	581,417	588,000	754,000	743,300	789,000	201,000	34.2%	35,000	4.6%	45,700	6.1%
AD Repairs & Maintenance	223,223	418,405	191,081	278,000	179,200	179,000	187,000	(91,000)	-32.7%	7,800	4.4%	8,000	4.5%
Access System Maintenance	2,589	226	7,726	4,000	-	-	-	(4,000)	-100.0%	-	0.0%	-	0.0%
AE Boarding Bridge Maintenance	28,611	12,840	14,644	19,000	24,000	50,000	24,000	5,000	26.3%	-	0.0%	(26,000)	-52.0%
AE Elevator & Escalators	28,936	24,066	4,142	19,000	37,400	37,400	37,000	18,000	94.7%	(400)	-1.1%	(400)	-1.1%
Copier Service	7,176	5,140	8,825	7,000	10,900	9,000	11,000	4,000	57.1%	100	0.9%	2,000	22.2%
AF Pavement Maintenance	58,880	73,739	34,098	56,000	65,000	65,000	65,000	9,000	16.1%	-	0.0%	-	0.0%
Tower Repairs & Maintenance	13,887	10,888	19,609	15,000	18,000	28,000	18,000	3,000	20.0%	-	0.0%	(10,000)	-35.7%
AG Landscaping	6,873	3,044	4,802	5,000	5,000	8,000	11,000	6,000	120.0%	6,000	120.0%	3,000	37.5%

GJRAA
2022 BUDGET
Company Wide - Operating Expenses

								Variance to 18-20 Avg		Variance to 2021 Budget		Variance to 2021 Forecast		
Account Name		2018 Actual	2019 Actual	2020 Actual	2018-2020 Avg	2021 Budget	2021 Forecast	2022 Budget	\$	%	\$	%	\$	%
AH	SRE Repairs & Maintenance	20,449	19,715	42,092	27,000	30,000	19,000	25,000	(2,000)	-7.4%	(5,000)	-16.7%	6,000	31.6%
	Repairs & maintenance	390,624	568,063	327,019	430,000	369,500	395,400	378,000	(52,000)	-12.1%	8,500	2.3%	(17,400)	-4.4%
AI	Insurance	92,983	108,989	122,503	108,000	132,000	135,000	140,000	32,000	29.6%	8,000	6.1%	5,000	3.7%
	Insurance	92,983	108,989	122,503	108,000	132,000	135,000	140,000	32,000	29.6%	8,000	6.1%	5,000	3.7%
AJ	Education & Training	69,667	88,349	37,929	65,000	58,500	45,000	77,000	12,000	18.5%	18,500	31.6%	32,000	71.1%
AJ	Travel & Meetings	17,196	15,647	3,405	12,000	8,000	8,000	15,000	3,000	25.0%	7,000	87.5%	7,000	87.5%
	Professional Dues	17,237	15,769	17,803	17,000	17,600	20,000	18,000	1,000	5.9%	400	2.3%	(2,000)	-10.0%
	Licenses & Fees	232	(11)	2,150	1,000	1,000	3,000	1,000	-	0.0%	-	0.0%	(2,000)	-66.7%
	Publications	1,540	2,120	326	1,000	2,500	1,000	1,000	-	0.0%	(1,500)	-60.0%	-	0.0%
	Meals	2,782	3,773	4,690	4,000	4,000	4,000	4,000	-	0.0%	-	0.0%	-	0.0%
AK	Marketing	51,578	20,958	39,188	37,000	40,000	75,000	70,000	33,000	89.2%	30,000	75.0%	(5,000)	-6.7%
AL	Air Service Development	67,573	73,952	52,132	65,000	80,000	80,000	85,000	20,000	30.8%	5,000	6.3%	5,000	6.3%
AM	Other	4,777	16,535	15,424	11,000	-	13,000	10,000	(1,000)	-9.1%	10,000	0.0%	(3,000)	-23.1%
AN	Contingency	9,259	3,596	-	4,000	100,000	-	100,000	96,000	2400.0%	-	0.0%	100,000	#DIV/0!
	Other	241,841	240,688	173,047	217,000	311,600	249,000	381,000	164,000	75.6%	69,400	22.3%	132,000	53.0%
	Total Operating Expenses	4,262,288	4,818,750	4,306,692	4,465,000	4,870,700	4,862,700	5,268,000	803,000	18.0%	397,300	8.2%	405,300	8.3%

GJRAA
2021 BUDGET
Company Wide - Non-Operating Activity

								Variance to 18-20 Avg				Variance to 2021		
								Actual		Variance to 2021 Budget		Forecast		
Account Name				2018 Actual	2019 Actual	2020 Actual	2018-2020 Avg	2021 Budget	2021 Forecast	2022 Budget	\$	%	\$	%
Non-operating revenue (expenses)														
AO	Passenger facility charges	1,019,592	1,050,179	614,796	894,856	625,200	939,500	1,004,000	109,144	12%	378,800	61%	64,500	7%
AP	Interest income	197,675	225,138	67,958	163,590	41,600	41,600	38,000	(125,590)	-77%	(3,600)	-9%	(3,600)	-9%
AQ	Interest expense	(840,226)	(810,176)	(789,021)	(813,141)	(768,500)	(768,500)	(740,000)	73,141	-9%	28,500	-4%	28,500	-4%
AR	Customer facility charges	724,213	741,145	278,624	581,327	393,000	599,300	636,000	54,673	9%	243,000	62%	36,700	6%
	Federal Grant revenue	10,154,050	6,004,320	5,411,787	7,190,052	18,417,000	19,809,000	23,936,000	16,745,948	233%	5,519,000	30%	4,127,000	21%
	Non-Federal Grant Revenue	-	-	199,656	66,552	-	355,000	3,221,000	3,154,448	4740%	3,221,000	100%	2,866,000	807%
AS	Capital contributions	10,154,050	6,004,320	5,611,443	7,256,604	18,417,000	20,164,000	27,157,000	19,900,396	274%	8,740,000	47%	6,993,000	35%
	Capital expense - AIP	(13,220,803)	(6,560,738)	(5,931,973)	(8,571,172)	(19,022,000)	(20,209,000)	(28,286,000)	(19,714,828)	230%	(9,264,000)	49%	(8,077,000)	40%
	Capital expense - Non AIP	(1,473,722)	(5,034,054)	(2,269,262)	(2,925,679)	(1,781,500)	(1,781,500)	(2,000,000)	925,679	-32%	(218,500)	12%	(218,500)	12%
AT	Capital expenditures	(14,694,525)	(11,594,792)	(8,201,235)	(11,496,851)	(20,803,500)	(21,990,500)	(30,286,000)	(18,789,149)	163%	(9,482,500)	46%	(8,295,500)	38%
AQ	Debt principle payments	(1,130,752)	(924,673)	(728,349)	(927,393)	(735,000)	(735,000)	(765,000)	162,393	-18%	(30,000)	4%	(30,000)	4%
AU	Total relief grant funding	-	-	4,094,829	1,364,412	2,102,900	4,000,000	3,062,000	1,697,588	124%	4,021,100	191%	(938,000)	-23%
Total Non-operating revenue (expenses)		(4,569,973)	(5,308,859)	949,045	(2,976,596)	(727,300)	2,250,400	106,000	3,082,596	-104%	833,300	-115%	(2,144,400)	-95%

Activity Assumptions

- **2022 Commercial Passenger Landings:** Commercial landings and airline seat capacity is estimated based on the average daily flight schedule by route, by carrier, and by aircraft type flown. We are projecting that the flight frequency will almost fully recover to 2019 levels, but that load factors and passengers will still be below 2019. With the uncertainty surrounding travel patterns in the cold and flu season, we are projecting a higher summer peak season, similar to what has been experienced in 2021. Additionally, to be conservative, we have not included any flights to new routes and did not include any Denver Air Connection activity since they are not currently operating. Based on these assumptions, we estimate the following average flight schedule, seat capacity, and commercial landed weight for 2022:

Average Scheduled flights/day by Route		
	2022	2019
United - Denver	4.4	4.6
American - Dallas	3.0	2.8
American - Phoenix	2.0	2.4
Delta - Salt Lake City	3.1	3.0
Frontier - Denver	0.1	-
Allegiant - All routes	0.4	0.6
	13.0	13.4
Estimated 2022 Seat Capacity	321,747	
2019 Actual Seat Capacity for the same carriers	330,626	
2022 Capacity reduction from 2019 %	-2.7%	
Estimated 2021 Commercial Landed Weight in pounds	301,904,081	
2019 Actual Commercial Landed Weight in pounds	312,091,717	
2022 Commercial Landed Weight reduction from 2019 %	-3.3%	

- **2022 Passenger Enplanements:** At the beginning of the pandemic and during the 2021 budget process, we assumed that it would take three years to fully recover to 2019 passenger levels. With the strong 2021 summer performance, we think we could see full recovery by the end of 2022 instead of 2023. For the budget assumptions on passenger levels, we assumed another strong summer season in 2022 but lower numbers in the other seasons. Based on these assumptions, we estimate the following passenger enplanements and load factors for 2022 compared to 2019:

	Q1 Enpl	Q2 Enpl	Q3 Enpl	Q4 Enpl	Total Enpl
2022	48,759	65,669	68,497	64,037	246,962
2019	55,376	67,579	67,562	69,105	259,622
2022 % change from 2019	-12%	-3%	1%	-7%	-5%
2022 Estimated Avg Load Factor	68%	78%	79%	78%	76%
2019 Load Factor	80%	79%	79%	77%	79%

2022 Budget Variance Explanations & Detailed Assumptions

Operating Revenues**Aeronautical Revenues**

- A Passenger airline landing fees are based on estimated commercial aircraft landed weight times the stated landing fee. For 2022 the commercial landed weight was estimated based on the average daily flights by route, by carrier, and by the aircraft typically flown. GJRAA is proposing to decrease the landing fee in 2022 by 5%. Based on these assumptions, the 2022 budget reflects a decrease in passenger airline landing fees.
- B Terminal rent is comprised of preferred space leased by the airlines (ticket counters, office space, and baggage handling garage space) and paid based on a per square foot rate, and joint use space (ticket queuing, security, and boarding area) that is allocated to the airlines based on the number of passengers each month. Joint use space comprises approximately 78% of the passenger airline leased space in the terminal (\$945,000) and the airline preferred space makes up the other 22% (\$269,000). Terminal rent for 2022 assumes no change in the amount of total airline leased space and a decrease of 5% in the rate per square foot. Based on discussions with the airlines, they have no plans to reduce space at GJRAA at this time.
- C Other passenger airline revenue is from boarding bridge fees charged each time an airline utilizes a boarding bridge to unload and load a plane ("turn"). For 2022, the number of boarding bridge turns was estimated based on the average number of flights per day by route and by carrier that use the bridge, with no adjustment for construction projects. The 2022 per turn rate will remain the same as the 2021 rate at \$10.00/turn.

- D Non-passenger landing fees represent landing fees charged for cargo activities and firefighting operations and are based on the landed weight of the aircraft times the stated landing fee. FedEx is the primary cargo carrier at the airport and has maintained a fairly consistent schedule over the past four years. The 2022 landed weight budget assumes that Fed Ex will fly the same schedule as 2019 and does not include any projected landed weight from firefighting activities since this is unpredictable and fluctuates each year. GJRAA is proposing to decrease the landing fee by 5% in 2022.
- E Cargo and hangar rental revenue is based on a fixed rate stated in the lease and is subject to an annual increase on April 1 each year based on the consumer price index (CPI). For 2022, the we estimated the CPI rate at 1%.
- F State fuel tax disbursement revenue represents taxes collected on jet fuel and avgas sales at the airport that are collected by the state and then remitted back to the airport. Historically fuel tax revenue has a positive correlation to commercial aircraft activity, therefore the 2022 budget assumes that fuel tax revenues will be down approximately 3% from 2019, the same as the anticipated commercial landed weight.
- G Fuel flowage fees are a per gallon charge collected by West Star from all aircraft operation fueling at the airport except commercial and cargo activities and remitted to GJRAA on a monthly basis. In 2020 and 2021, general aviation and non-commercial activity recovered much faster than commercial activity and even exceeded the number of operations in 2019. However, fuel sales and flowage revenues has not correlated as closely to activity and is still below 2019. The 2022 budget assumes average monthly fuel flowage fees equal to the average revenue received from January 2021 - July 2021.
- H Airside fuel sales revenue represents revenue collect from diesel and unleaded fuel sales by GJRAA to the airlines for their tugs, de-ice trucks, and other equipment. Since airside fuel sales are somewhat dependent on activity, the 2022 budget assumes revenue will be approximately \$3,500 below 2019.
- I Rapid refuel charges for military refueling activity and airplane ramp parking are assumed to remain consistent with the historical average revenues.

Non-Aeronautical Revenues

- J Land and building lease revenue is based on the existing general aviation (GA) leases. The majority of the leases are subject to a CPI increase on April 1 of even years. For 2022, GJRAA assumed a 1% CPI increase to current rates with no change in the amount of space rented.
- K Non-aeronautical revenues including restaurant and retail, parking, and ground transportation vary with passenger traffic and were estimated based on a revenue per enplanement rate times the estimated number of passengers. Historical and current revenue per passenger rates were used to inform the rates for 2022. Those rates are listed below:

	2022 Budget	Jan - Jul 2021	2020	2019	2018
Restaurant/Retail	\$ 0.65	\$ 0.63	\$ 0.63	\$ 0.64	\$ 0.60
Rental Car Gross Revenue	\$ 4.25	\$ 4.74	\$ 4.39	\$ 3.54	\$ 3.80
Parking	\$ 5.05	\$ 5.01	\$ 5.20	\$ 5.94	\$ 5.84
Ground transportation	\$ 0.21	\$ 0.20	\$ 0.22	\$ 0.28	\$ 0.21

- L Terminal office space rent is from office space leased to the TSA . The existing TSA lease expires in September 2021 and based on current contract negotiations, we have adjusted office rent based on the intended amount of space to be rented at the estimated rent rate.
- M Rental car revenue consists of fixed fees from office and service area rent, variable revenues from the contractual percentage of gross revenue, and fuel sales to rental car companies. For the 2022 budget, GJRAA assumed no change in the office rent rate per square foot, but assumed a 1% CPI increase for the service area rent rate according to the lease terms. Rental car fuel sales have historically averaged about 20% of the percent of gross revenue received from rental cars, therefore this assumption was used for the 2022 budget. The variable revenue from rental car activity was estimated based on a revenue per passenger rate noted above.
- N Security fees represent the amounts charged to issue and renew badges at the airport for employees, tenants, GA members, and contractors. Badge renewals occur every two years, so security fees in odd years and even years are historically consistent. Based on the renewal cycle for badges in an odd year, the 2022 budget assumes revenue will be comparable to 2020.
- O Other revenue primarily includes revenues from vending machines, advertising, and parking tickets. With the terminal renovations that were completed in 2019 and 2020, all recurring advertising contracts expired and old signs and backlit displays were removed and relocated in the terminal. The 2022 budget assumes other revenues will remain low since there are no active advertising contracts at this time.

Operating Expenses

Assumptions and explanations are provided below for budgeted operating expenses that have a variance to the 2018-2020 average actual expense, 2021 budget, or the 2021 forecast of greater than \$5,000. Those expense categories that are not variable in nature that have variances of less than \$5,000 were based on historical average spending, therefore no additional explanation is provided below.

- P The 2022 budget for personnel compensation and benefits is based on 31 full-time employees and 2 part-time positions. As of September 2021, GJRAA has 28 full time employees. The proposed budget assumes three additional full-time positions will be filled by the beginning of 2022 and we plan to reinstate the internship program in the summer of 2022. The additional full-time positions are needed to replace a vacancy in the custodial staff, hire a new director of external affairs, and a full time office administrator. The budget also assumes an average salary increase of 5% for all existing employees since wages were held flat in 2021.

Other compensation expenses are budgeted based on a percentage of total wages. The following table shows the budgeted and actual employees (as of September 30) over the past four years for comparative purposes.

	2022	2021	2020	2019	2018
Budget	31 FT, 2 PT	30 FT, 1 PT	30 FT, 3 PT	30 FT, 4 PT	29 FT, 0 PT
Actual at 9/30	N/A	29 FT, 0 PT	28 FT, 0 PT	28 FT, 1 PT	25 FT, 2 PT

FT Employees by Department	Budget	Actual - 9/30	Actual	Actual	Actual
Director Level	5	4	5	6	4
Facilities	7	7	6	6	6
Custodial	6	6	6	6	4
Operations	8	8	7	7	8
Administration	5	4	4	3	3
	31	29	28	28	25

- Q Health insurance is based on the current plan enrollment and rates, with an additional contingency budgeted for vacant positions and additional increases possible with the anticipated January 1 - December 31 plan year change.
- R Utilities budget in 2022 was developed based on historical average costs and current monthly rates for gas, water, trash, and sewer. We received notice from Xcel Energy that electric rates are expected to increase approximately 12% in 2022, therefore we have increased our electric budget accordingly. The utilities do take into account the solar garden subscriptions which are netted against the expense. The budget has been increased for cell phones and phone service to allow for a replacement of old devices, purchase of new devices for new employees, and upgrades to smart-phones for select employees to increase functionality.
- S Budgeted materials and supplies in 2022 took into account the average historical expenses incurred and added some additional budget for needed replacements to the grounds for landscaping and some additional budget for the anticipated increase in passengers. COVID-19 materials and supplies incurred in 2020 represented the purchase of sanitizing tools, masks, mask stands for distribution, and other costs that were unintended and purchased in bulk at the beginning of the pandemic. We are not continuing to segregate these costs and instead, will be incorporated any necessary purchases into the regular supplies account.
- T Tools and equipment budget includes investments in equipment purchases below our capitalization policy of \$5,000 and is distributed amongst the departments to allow for regular replacements of computers, IT equipment, small tools, and fire fighting equipment. The budget for 2022 is below the historical average spending, however, 2018 and 2019 included significant investments in furniture, computers, and other equipment purchases associated with the terminal remodel that were below the capitalization threshold, but originally budgeted as capital projects.
- U Glycol disposal costs are dependent on the amount of glycol collected and the number of times the tank is emptied in a year. The glycol system is being replaced as part of the 2021 West Apron project and we do anticipate that that system will become more efficient in collection, but until the new system has been used and we can estimate costs more accurately, we are budgeting for two annual disposals with an average cost per disposal of approximately \$10,000.
- V Fuel expenses are driven by activity levels at the airport as the majority of the diesel and unleaded fuel purchased by the airport is sold to the airlines and rental car tenants. With the anticipated passenger traffic and activity levels and rising fuel prices, we anticipate that fuel expenses will be comparable to 2018-2019. From 2017 - 2020, all expenses for fuel purchases were fully recovered by fuel revenue sales as we charge tenants \$1/gallon above GJRAA's cost. The 2021 forecast and 2022 budget reflect a more conservative estimate where fuel costs will exceed revenue by approximately \$10,000.

- W Professional services - other is primarily for our annual Moody's bond rating, ongoing structural monitoring of the terminal building, and interior design costs. The decrease from the historical average reflects the fact that the Airport discontinued the use of temporary labor used to supplement landside employees in 2020. The 2022 budget continues to exclude temporary labor as we have budgeted for additional employees and had better results in 2020 and 2021 allocating employee resources than utilizing temporary labor.
- X Purchased services represents budgeted costs for outsourced services and annual service subscriptions including: cable TV, terminal music, plant care, window cleaning, and carpet cleaning. The increase in the 2022 budget from the historical average spending is due to the increase in the amount of carpet in the terminal and anticipation of additional deep cleaning services.
- Y Security guard costs budgeted for 2022 reflect estimated security hours at the contractual rate. Security hours have been expanded recently as the flight schedules expand and for 2022 the budget reflects coverage for 23 hours per day. This is a conservative estimate, however, security is a top priority for the airport. In June 2020, GJRAA received an award from TSA to reimburse a portion of security costs. The security guard expense budget reflects the full cost expected in 2022, however, grant revenues of \$71,000 are anticipated and included in non-operating revenue, making the net security cost to GJRAA approximately \$196,000.
- Z Professional services - legal budgeted for 2022 represents a budget of \$10,000/ month. While this is higher than the actual historical expenses, GJRAA has four major contract procurements scheduled, anticipates re-starting airline lease negotiations, and plans to continue improving governance documents in 2022 and an increase is needed to accomplish these objectives.
- AA Professional Services - IT costs have fluctuated in prior years between approximately \$100k - \$130k and include the monthly support services from our outsourced IT provider, subscription services for accounting software, operations software, gate information display systems, and other software support and subscriptions. For 2022, the budget reflects anticipated costs close to the historical maximum that has been spent as IT is an increasingly important investment for the airport.
- AB Engineering and planning professional services budget is to support non-AIP eligible planning and engineering services at the airport as well as the Capital Improvement Plan (CIP) manager time to help oversee the runway program and overall CIP schedule for the Airport. In 2021, projects included a study on the 29 Road interchange alternatives, the general aviation drainage study, preparation of disadvantaged business enterprise goals, and terminal planning in addition to the CIP manager costs. GJRAA has worked with the FAA to identify and maximize AIP eligible tasks that the CIP Manager is involved in, but the 2022 budget is a conservative estimate to ensure that all necessary tasks of the CIP Manager and other non-AIP eligible projects for general aviation can be accomplished.
- AC Fingerprint Processing budget is for the actual cost of running background checks and fingerprint checks for badges. Badges are on two-year renewal cycles and the majority of badges are renewed in even years therefore the budget in 2022 reflects an increase from the 2021 budget and forecast, but is consistent with 2018 and 2020.
- AD The decrease in repairs and maintenance costs from 2018-2019 reflects planned reductions in remodel and improvement projects. Actual expenses in 2018-2019 include costs that were originally budgeted as part of the larger capital improvement projects in the terminal, but were not capitalized as assets according to our capitalization policy and were ultimately reclassified to repairs and maintenance (i.e. painting, bathroom fixture upgrades, miracle method, etc.). The 2022 budget reflects regular ongoing maintenance costs consistent with 2020 and the forecast and budget for 2021.
- AE Boarding bridge maintenance and elevator and escalator maintenance costs were budgeted to increase above historical average spending due to the installation of a new bridge and new escalators in 2019, but be consistent with the 2021 budget. The increase in the forecasted costs in 2021 are due to unanticipated repairs needed for one of the boarding bridges. We do not foresee additional major repairs in 2022 and are not budgeting for them. Should additional issues arise, we will balance these costs with the contingency or other repairs and maintenance budget, but do not believe it is necessary to inflate this budget category individually.
- AF Pavement maintenance costs are budgeted annually for rubber removal and repainting, crack seal, and other small recurring repairs. The amount budgeted has been increased compared to the historical average to account for higher unit costs that were seen during 2021.
- AG Landscaping costs are budgeted annually for tree and shrub replacements and perennial flowers for the beds throughout the airport property. The landside employees in conjunction with the City of Grand Junction have seen a decline in health of trees in the area and therefore this budget has been increased for additional replacements that are anticipated.
- AH SRE repairs and maintenance are expected to decrease slightly in 2022 compared to the historical average spending from 2018-2020. In 2020, a major repair was completed on one piece of equipment and we have no individually large, planned repairs at this time. The snow removal fleet continues to age and staff are evaluating the existing fleet and the estimated cost of replacing the fleet (considering both new and available used equipment). At this time, the most cost effective option is to maintain the existing equipment, but we are continuing to evaluate and develop replacement plans.
- AI Insurance expense is budgeted to increase in 2022 based on the increases in the previous years' policy renewal and the anticipated investment in additional assets. We will continue to use a broker to evaluate different insurance carriers and options, however, the 2022 budget is protecting for another rate increase.

- AJ Education & training and travel and meetings expense was significantly reduced in 2020 and 2021 due to the pandemic, however, for 2022, the budget has been increased to previous historical average levels. GJRAA recognizes the value in providing staff training to maintain annual certifications, improve safety, and advance staff knowledge and opportunities. While the GJRAA will continue to evaluate cost and safety when selecting conferences and training programs, we plan to lift restrictions on traveling for live conferences.
- AK Marketing expenses forecast in 2021 include additional marketing efforts that have been planned to increase awareness about new routes in 2021. The increase in budget for 2022 reflects the GJRAA's goal of developing a new website, continuing to increase brand awareness in the community for another year, and to protect for airline marketing incentives should a qualifying airline bring a new route.
- AL Air service development budget was increased by \$5,000 from the 2021 budget. This budget includes anticipated costs for data, an updated leakage study, research, reporting, and travel by both the Executive Director and Air Service Consultants to air service conferences, and airline headquarter meetings to further the air service goals of the airport and community.
- AM The other expense category in prior years was used to budget expenses for non-recurring events including the air show and tri-annual training costs. In 2022, the Airport will host the annual Colorado Airport Operators Association conference and a budget of \$10,000 has been included for this special event.
- AN GJRAA continues to provide for a contingency budget for unanticipated major repairs that might arise given the age of the facilities and fleet at the airport and some of the deferred maintenance that has been identified. Historically, the GJRAA has been under budget in other operating expense categories and has not needed the additional contingency expense to maintain spending within appropriations, but to be conservative, this budget will continue to be provided. The amount is approximately two percent of the total operating expense budget and is consistent with prior budgets.

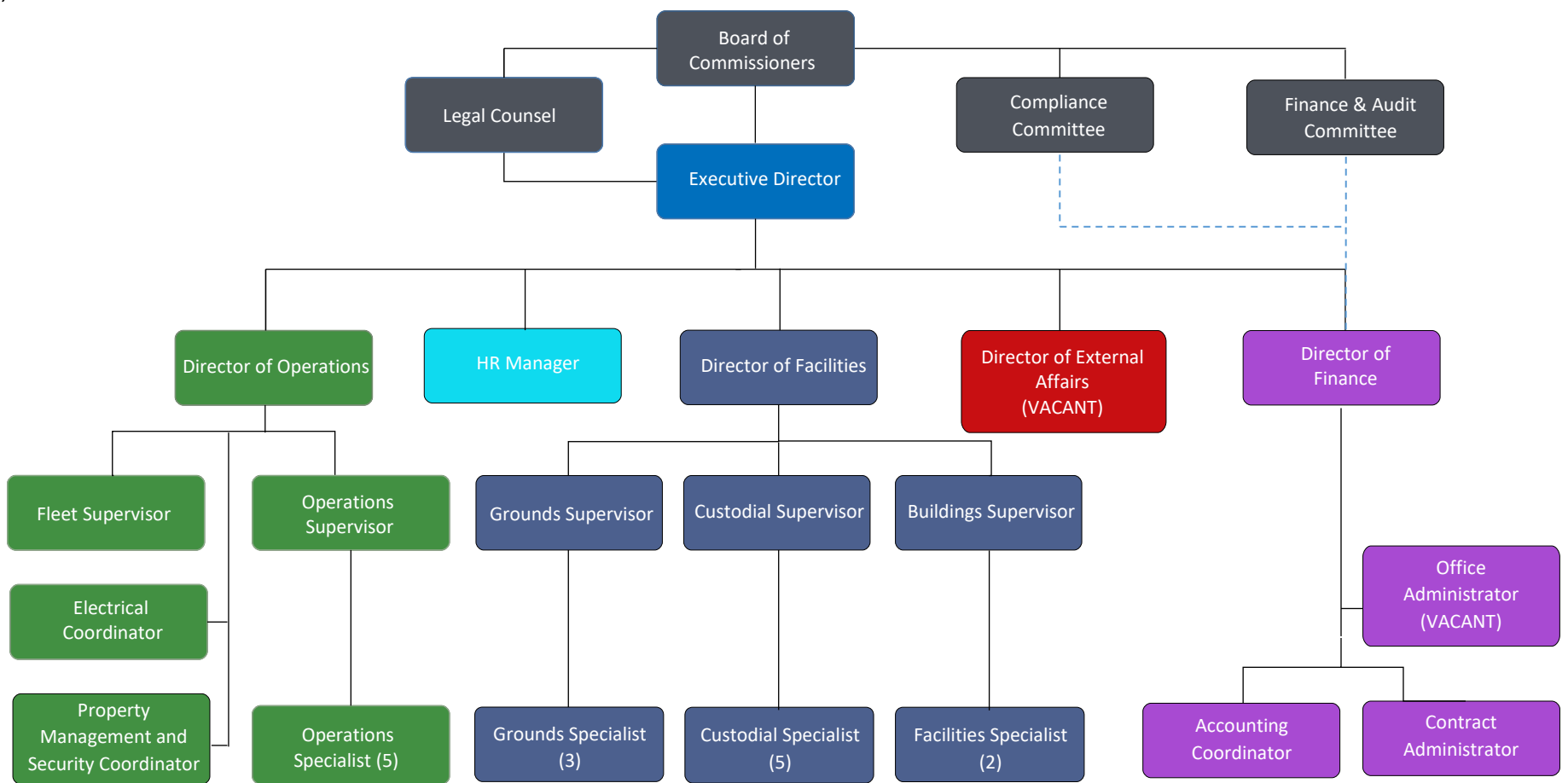
Non-Operating Activity

- AO Passenger facility charge (PFC) revenue was budgeted based on the historical revenue per enplanement times the projected enplanements for the year. The PFC rate is legislated and GJRAA charges the maximum allowed rate.
- AP Since interest rates remain low and the average cash balance is not expected to change significantly, the 2022 budgeted interest income is based on average monthly income earned in 2021 through July.
- AQ Interest expense and debt principle payments are based on scheduled debt repayments.
- AR Customer facility charge (CFC) revenue was budgeted based on estimated rental car rental days times the current rate of \$4/day.
- AS Capital contributions were estimated based on expected annual funding from the FAA for AIP projects, the law enforcement officer reimbursement contract from TSA, and anticipated grants from CDOT associated with airfield projects. AIP grants anticipated in 2022 according to the airport CIP plan assume the FAA will revert to funding 90% of the project costs and the GJRAA will be responsible for 10% of the costs. Refer to the attached project schedule for a more detailed list of anticipated grant funded projects and spending in 2022.
- AT Capital expenditures includes approximately \$28.3M in AIP projects and \$2.0M in Non-AIP projects. The attached project schedule details the anticipated AIP funded projects that are budgeted for 2022. While CDOT has indicated that they may not be able to fund the Runway 4/22 rehabilitation until 2024, we have included it within the budget in case funding can be accelerated. For the non-AIP projects, airport staff have accumulated a list of possible airport funded projects to be completed in 2022, however, we have not estimated costs or prioritized projects at this time. Instead, the budget of \$2.0M represents the maximum planned investment by the airport to meet the cash and financial objectives of the budget. We plan to use the Airport Development Plan to help inform where that investment will be most effective.
- AU Total relief grant funding reflects the planned draw downs in 2022 of the remaining relief grants (CARES Act, ACRGP, and ARPA). At this time we plan to draw down funds at a rate of approximately \$4.0M per year until we have fully drawn the funds so the airport can establish capital and operating reserves for the future.

AIP & CDOT FUNDED AIRFIELD PROJECTS	Project Cost Estimate	Total FAA Funding		Colorado Discretionary		Local - GJRAA Cost		Prior Years	2021	2022
AIP 66 - Rehabilitate West Commercial Apron and Temp Runup Pad	12,921,483	12,921,483	100%	-	0%	-	0%	491,759	12,430,000	-
AIP 67 - Twy A & 11/29 Rehab Construction	5,666,666	5,666,666	100%	-	0%	-	0%	-	5,666,666	-
AIP 68 - Grading & Drainage Design	1,368,391	1,368,391	100%	-	0%	-	0%	-	1,368,391	-
Rehabilitate Runway 4/22 - Design	393,113	-	0%	300,000	76%	93,113	24%	-	393,113	-
AIP 69 - Airport Development Plan	1,039,904	1,039,904	100%	-	0%	-	0%	-	312,000	728,000
AIP 72 - Grading & Drainage Construction - Sch 1 - 3	15,658,030	15,658,030	100%	-	0%	-	0%	-	100,000	15,558,000
AIP TBD - Grading & Drainage Sch 4 Sitework	7,000,000	6,300,000	90%	-	0%	700,000	10%	-	-	7,000,000
AIP TBD - NAVAIDS & Utilities	5,000,000	4,500,000	90%	-	0%	500,000	10%	-	-	1,500,000
Rehabilitate Runway 4/22 - Construction	3,500,000	-	0%	3,150,000	90%	350,000	10%	-	-	3,500,000
	\$ 70,547,587	\$ 63,654,474	90%	\$ 3,450,000	5%	\$ 3,443,113	5%	\$ 491,759	\$ 20,270,170	\$ 28,286,000

Funding Source

Federal portion	\$ 491,759	\$ 19,877,057	\$ 23,936,000
State portion	-	300,000	3,150,000
GJRAA Portion	-	93,113	1,200,000
	\$ 491,759	\$ 20,270,170	\$ 28,286,000



Grand Junction Regional Airport Authority
Agenda Item Summary

TOPIC:	Delegation of Authority as it relates to budgeting, purchasing, and procurement		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input checked="" type="checkbox"/>	Decision <input type="checkbox"/>
RECOMMENDATION:	N/A – Discussion Only		
SUMMARY:	<p>During the budgeting process, staff reviewed and discussed delegated authorities that currently exist in the budget resolution, purchasing and procurement policy, and the delegation of authority resolution. As part of this review, staff recommend making some modifications to delegated authority in order to improve efficiency.</p> <p>Specifically, staff recommends expanding delegated authority to approve routine professional service work, provided it is within the annual budgeted amount. This will improve efficiency in managing those contractors who serve as an extension of staff. This delegation already exists for personnel expenses for Airport Authority staff and for a number of other recurring budgeted expenses such as security guard services, utilities, and fuel purchases.</p>		
REVIEWED BY:	Executive Director		
FISCAL IMPACT:	N/A		
ATTACHMENTS:	None		
STAFF CONTACT:	Sarah Menge, Director of Finance smenge@gjairport.com Office: 970-248-8581		

Grand Junction Regional Airport Authority
Agenda Item Summary

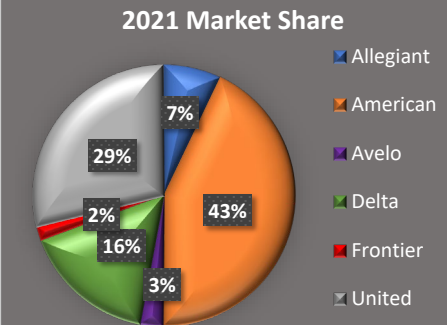
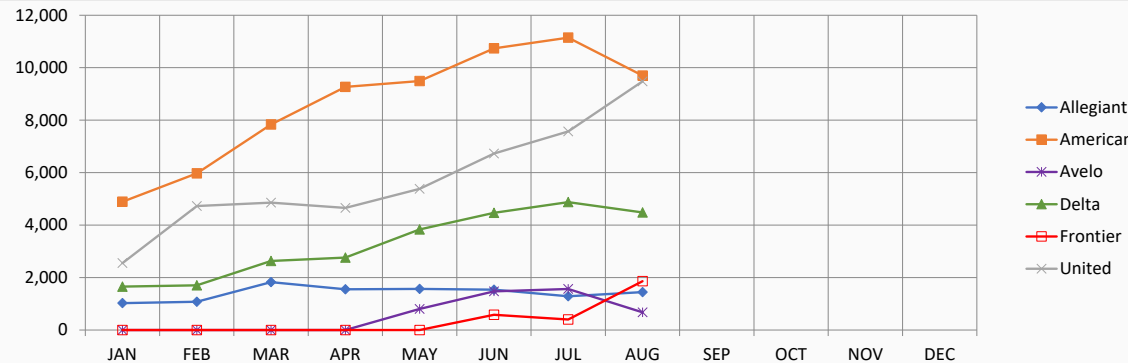
TOPIC:	GJRAA Mission, Vision, and Values		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input checked="" type="checkbox"/>	Decision <input type="checkbox"/>
RECOMMENDATION:	N/A – Discussion Only		
SUMMARY:	<p>The following is a draft of the Mission, Vision, and Values for the GJRAA that has been developed over the past two years with inputs from staff, commissioners, and consultants. Staff wish to review the draft wording with the board and finalize the wording by the end of the year to be incorporated with the Airport Development Plan.</p> <p>Mission: Provide safe, reliable, and sustainable aviation facilities to promote economic growth and a high quality of life in western Colorado and eastern Utah.</p> <p>Vision: Make western Colorado accessible to the world and enable vibrant regional growth</p> <p>Values:</p> <p><u>Service:</u> We work hard with a positive attitude, honored and eager to serve the community and those who travel here.</p> <p><u>Integrity:</u> We are transparent, honest, admit mistakes, and keep the long-term interest of the airport at the forefront.</p> <p><u>Teamwork:</u> Through efficient, respectful collaboration we work together to get results. We trust one another, are accountable for our actions, and communicate openly.</p> <p><u>Balance:</u> We are dedicated to our work and honor our personal lives to optimize productivity and have fun.</p> <p><u>Ambition:</u> We set and reach big goals because we plan ahead, challenge the status quo, and strive to do even better work today than yesterday.</p>		
REVIEWED BY:	Executive Director		
FISCAL IMPACT:	N/A		
ATTACHMENTS:	None		
STAFF CONTACT:	Angela Padalecki apadalecki@gjairport.com (970) 248-8588		



GRAND JUNCTION REGIONAL AIRPORT

August 2021
DATA & STATISTICS

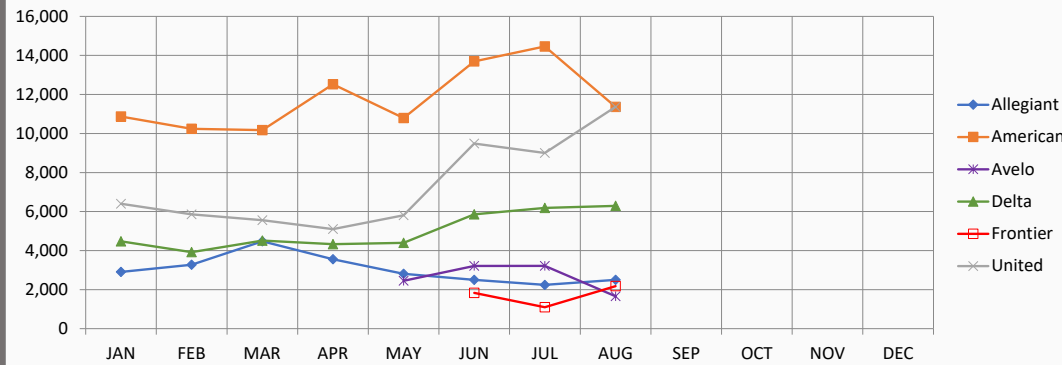
Passenger Deplanements



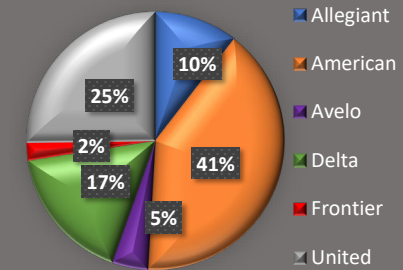
2021	Allegiant (SNA, AZA, LAS)	American (DFW, PHX, LAX)	Avelo (BUR)	Delta (SLC)	Frontier (DEN)	United (DEN)	Denver Air Charters	Charters	Total	Annual Inc/Dec
JAN	1,025	4,890	0	1,656	0	2,551	0	0	10,122	↓ -58.1%
FEB	1,076	5,971	0	1,707	0	4,726	0	150	13,630	↓ -41.2%
MAR	1,826	7,840	0	2,632	0	4,857	0	0	17,155	↑ 26.2%
APR	1,552	9,269	0	2,764	0	4,653	0	0	18,238	↑ 1435.2%
MAY	1,571	9,492	804	3,838	0	5,385	50	0	21,140	↑ 507.8%
JUN	1,541	10,740	1,473	4,465	581	6,728	0	0	25,528	↑ 292.2%
JUL	1,285	11,146	1,565	4,876	399	7,573	0	50	26,894	↑ 146.4%
AUG	1,447	9,703	674	4,484	1,861	9,481	0	0	27,650	↑ 135.6%
SEP									0	
OCT									0	
NOV									0	
DEC									0	
TOTAL	11,323	69,051	4,516	26,422	2,841	45,954	50	200	160,357	
Market Share	7.06%	43.06%	2.82%	16.48%	1.77%	28.66%	0.03%	0.12%	100.00%	

2020	Allegiant (LAX, AZA, LAS)	American (DFW, PHX)	Avelo (BUR)	Delta (SLC)	Frontier (DEN)	United (DEN)	Denver Air (APA)	Charters	Total
JAN	2,031	10,110	0	3,752	0	7,638	637	0	24,168
FEB	1,906	9,706	0	3,563	0	7,173	651	167	23,166
MAR	1,252	5,993	0	1,918	0	4,126	308	0	13,597
APR	0	590	0	214	0	384	0	0	1,188
MAY	421	2,327	0	323	0	407	0	0	3,478
JUN	1,759	3,399	0	762	0	589	0	0	6,509
JUL	1,752	4,814	0	1,791	0	2,557	0	0	10,914
AUG	1,144	5,286	0	2,214	0	3,091	0	0	11,735
SEP	666	7,331	0	2,527	0	2,673	0	0	13,197
OCT	611	7,269	0	2,765	0	4,974	0	0	15,619
NOV	979	5,253	0	2,283	0	3,539	0	47	12,101
DEC	1,073	6,057	0	1,903	0	3,714	0	0	12,747
TOTAL	13,594	68,135	-	24,015	-	40,865	1,596	214	148,419
Market Share	9.16%	45.91%	0.00%	16.18%	0.00%	27.53%	1.08%	0.14%	100.00%

Capacity



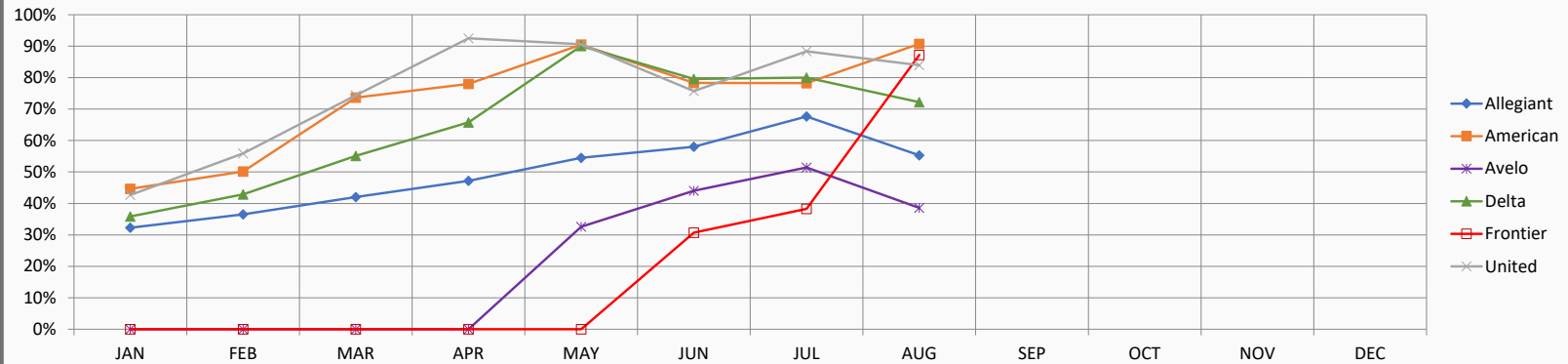
2021 Market Share



2021	Allegiant (SNA, AZA, LAS)	American (DFW, PHX, LAX)	Avelo (BUR)	Delta (SLC)	Frontier (DEN)	United (DEN)	Denver Air	Charters	Total	Annual Inc/Dec
JAN	2,910	10,873		4,470		6,400	0	0	24,653	↓ -14.7%
FEB	3,270	10,243		3,920		5,860	0	175	23,468	↓ -15.8%
MAR	4,476	10,173		4,510		5,560	0	0	24,719	↓ -2.9%
APR	3,552	12,522		4,326		5,100	0	0	25,500	↑ 196.1%
MAY	2,808	10,796	2,457	4,400		5,808	50	0	26,319	↑ 210.4%
JUN	2,496	13,689	3,213	5,860	1,836	9,490	0	0	36,584	↑ 215.8%
JUL	2,244	14,461	3,212	6,191	1,098	8,998	0	0	36,204	↑ 104.8%
AUG	2,496	11,365	1,659	6,291	2,178	11,366	0	0	35,355	↑ 75.9%
SEP									0	
OCT									0	
NOV									0	
DEC									0	
TOTAL	24,252	94,122	10,541	39,968	5,112	58,582	50	175	232,802	
Market Share	10.42%	40.43%	4.53%	17.17%	0	25.16%	0.02%	0.08%	100.00%	

2020	Allegiant (LAX, AZA, LAS)	American (DFW, PHX)	Avelo (BUR)	Delta (SLC)	Frontier (DEN)	United (DEN)	Denver Air	Charters	Total
JAN	2,976	13,112		4,702		6,598	1,320	186	28,894
FEB	2,622	11,874		4,502		7,484	1,200	186	27,868
MAR	2,019	10,989		4,550		7,030	870	0	25,458
APR	0	4,819		1,500		2,294	0	0	8,613
MAY	1,368	4,295		1,100		1,717	0	0	8,480
JUN	4,278	4,230		1,695		1,380	0	0	11,583
JUL	4,167	5,888		4,075		3,552	0	0	17,682
AUG	3,105	7,524		5,310		4,166	0	0	20,105
SEP	1,248	9,599		5,936		2,847	0	0	19,630
OCT	1,248	10,099		5,680		7,342	0	0	24,369
NOV	2,058	10,120		5,032		6,430	0	186	23,826
DEC	2,862	10,226		5,324		6,680	0	0	25,092
TOTAL	27,951	102,775		49,406		57,520	3,390	558	241,600
Market Share	11.57%	42.54%		20.45%		23.81%	1.40%	0.23%	100.00%

Load Factor



2021	Allegiant (SNA, AZA, LAS)	American (DFW, PHX, LAX)	Avelo (BUR)	Delta (SLC)	Frontier (DEN)	United (DEN)	Denver Air	Charters	Total
JAN	32%	45%	0%	36%	0%	43%	0%	0%	41%
FEB	37%	50%	0%	43%	0%	56%	0%	86%	49%
MAR	42%	74%	0%	55%	0%	74%	0%	0%	65%
APR	47%	78%	0%	66%	0%	93%	0%	0%	75%
MAY	54%	90%	33%	90%	0%	91%	100%	0%	81%
JUN	58%	78%	44%	80%	31%	76%	0%	0%	71%
JUL	68%	78%	51%	80%	38%	88%	0%	0%	77%
AUG	55%	91%	39%	72%	87%	84%	0%	0%	80%
SEP									
OCT									
NOV									
DEC									
TOTAL	48%	74%	43%	67%	56%	76%	100%	86%	69%

2020	Allegiant (LAX, AZA, LAS)	American (DFW, PHX)	Avelo (BUR)	Delta (SLC)	Frontier (DEN)	United (DEN)	Denver Air	Charters	Total
JAN	73%	82%	0%	71%	0%	83%	51%	44%	78%
FEB	73%	83%	0%	68%	0%	79%	57%	85%	78%
MAR	58%	51%	0%	41%	0%	50%	39%	0%	49%
APR		15%	0%	11%	0%	13%	0%	0%	14%
MAY	35%	53%	0%	27%	0%	30%	0%	0%	42%
JUN	40%	78%	0%	44%	0%	47%	0%	0%	55%
JUL	45%	85%	0%	44%	0%	72%	0%	0%	63%
AUG	37%	73%	0%	47%	0%	75%	0%	0%	61%
SEP	56%	74%	0%	46%	0%	97%	0%	0%	67%
OCT	56%	77%	0%	52%	0%	71%	0%	0%	68%
NOV	48%	55%	0%	46%	0%	58%	0%	25%	53%
DEC	41%	55%	0%	36%	0%	51%	0%	0%	48%
TOTAL	50%	67%	0%	48%	0%	65%	50%	52%	60%

2021 Enplaned and Deplaned Airfreight - Lbs

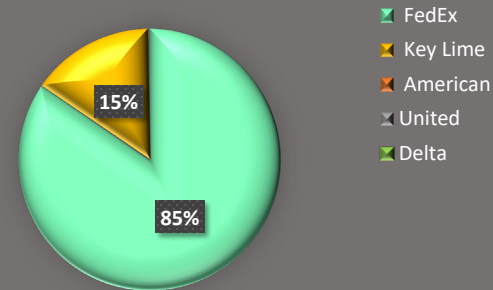
2021 YTD

Enplaned Freight	2,118,480	↓ -1.55%
Deplaned Freight	4,268,335	↑ 4.99%

2020 YTD

Enplaned Freight	2,151,863
Deplaned Freight	4,065,333

2021 Market Share



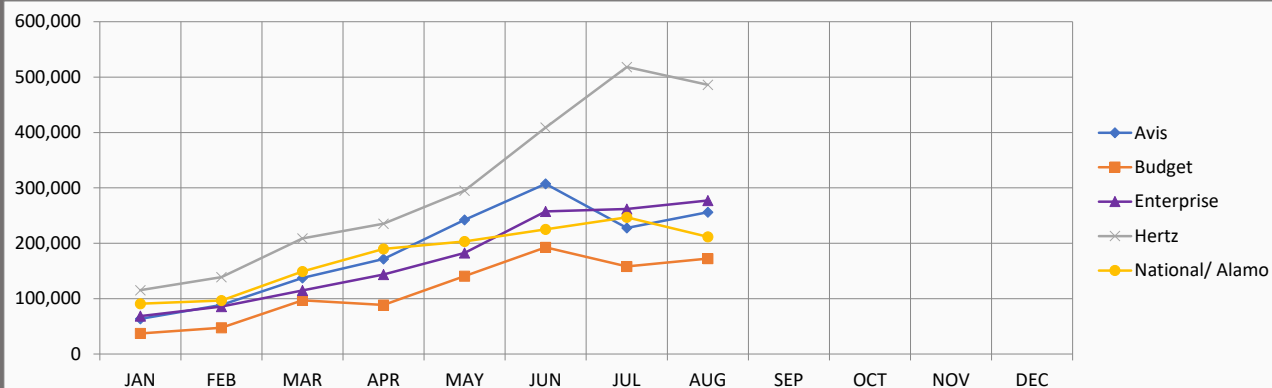
Enplaned	FedEx	Key Lime	American	United	Delta	Total	YTD Total	Annual Inc/Dec
JAN	237,200	26,593	90	49	1,157	265,089	265,089	↓ -14.2%
FEB	166,341	35,227	32	195	2,057	203,852	468,941	↓ -29.8%
MAR	257,387	23,899	-	165	1,811	283,262	752,203	↑ 5.0%
APR	245,234	22,593	107	32	1,682	269,648	1,021,851	↑ 29.7%
MAY	207,718	20,441	78	-	1,541	229,778	1,251,629	↓ -8.7%
JUN	254,320	24,123	3	16	1,335	279,797	1,531,426	↑ 13.0%
JUL	265,902	17,446	2	9	1,305	284,664	1,816,090	↑ 6.9%
AUG	275,637	25,107	2	130	1,514	302,390	2,118,480	↓ -2.2%
SEP						-		
OCT						-		
NOV						-		
DEC						-		
TOTAL	1,909,739	195,429	314	596	12,402	2,118,480	2,118,480	
Market Share	90.15%	9.22%	0.01%	0.03%	0.59%	100.00%		

Deplaned	FedEx	Key Lime	American	United	Delta	Total	YTD Total	Month over Month Inc/Dec
JAN	393,875	43,681	9	321	23	437,909	437,909	↓ -8.4%
FEB	318,960	100,256	635	62	229	420,142	858,051	↓ -9.7%
MAR	476,391	102,100	84	408	35	579,018	1,437,069	↑ 33.6%
APR	390,337	125,283	705	171	78	516,574	1,953,643	↑ 7.9%
MAY	404,215	94,773	511	189	229	499,917	2,453,560	↓ -6.5%
JUN	472,875	122,546	5	160	840	596,426	3,049,986	↑ 24.7%
JUL	526,608	104,566	764	384	572	632,894	3,682,880	↑ 14.8%
AUG	509,244	75,299	14	837	61	585,455	4,268,335	↓ -9.2%
SEP						-		
OCT						-		
NOV						-		
DEC						-		
TOTAL	3,492,505	768,504	2,727	2,532	2,067	4,268,335	4,268,335	
Market Share	81.82%	18.00%	0.06%	0.06%	0.05%	100.00%		

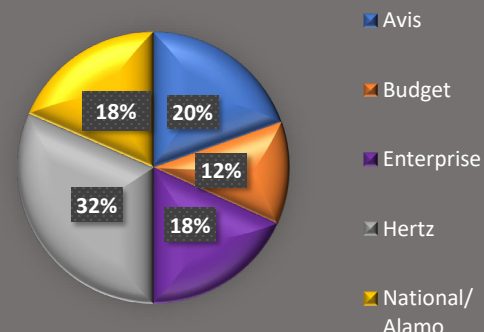
2021 Aircraft Operations

Itinerant						LOCAL			
2021	Air Carrier	Air Taxi	General Aviation	Military	TOTAL ITINERANT	Local Civilian	Local Military	TOTAL LOCAL	TOTAL
JAN	518	480	1,688	116	2,802	1,970	132	2,102	4,904
FEB	530	573	1,443	111	2,657	1,462	76	1,538	4,195
MAR	503	718	1,848	119	3,188	1,454	68	1,522	4,710
APR	517	630	1,673	74	2,894	1,284	60	1,344	4,238
MAY	528	600	1,902	140	3,170	1,244	100	1,344	4,514
JUN	615	740	2,496	133	3,984	872	144	1,016	5,000
JUL	563	728	2,282	143	3,716	1,178	120	1,298	5,014
AUG	671	740	2,088	131	3,630	1,128	100	1,228	4,858
SEP					0			0	0
OCT					0			0	0
NOV					0			0	0
DEC					0			0	0
TOTAL	4,445	5,209	15,420	967	26,041	10,592	800	11,392	37,433
Historical Data	2016	2017	2018	2019	2020	2021	2020-2021 Inc/Dec		
JAN	3,142	3,325	3,320	3,425	3,713	4,904	↑ 32.08%		
FEB	3,600	2,888	2,945	3,473	4,378	4,195	↓ -4.18%		
MAR	3,808	4,356	3,931	4,119	3,241	4,710	↑ 45.33%		
APR	3,191	3,717	3,670	3,378	2,436	4,238	↑ 73.97%		
MAY	3,810	3,821	3,908	4,075	3,826	4,514	↑ 17.98%		
JUN	4,080	4,839	4,287	4,293	4,588	5,000	↑ 8.98%		
JUL	4,044	3,997	5,195	4,348	4,784	5,014	↑ 4.81%		
AUG	4,111	4,084	5,139	4,256	5,436	4,858	↓ -10.63%		
SEP	3,797	3,496	4,161	3,941	4,777	-			
OCT	4,322	3,752	4,600	4,004	5,216	-			
NOV	3,651	3,074	4,092	3,811	4,612	-			
DEC	3,448	2,957	3,612	4,216	4,532	-			
TOTAL	45,004	44,306	48,860	47,339	51,539	37,433			

2021 Rental Car Revenues



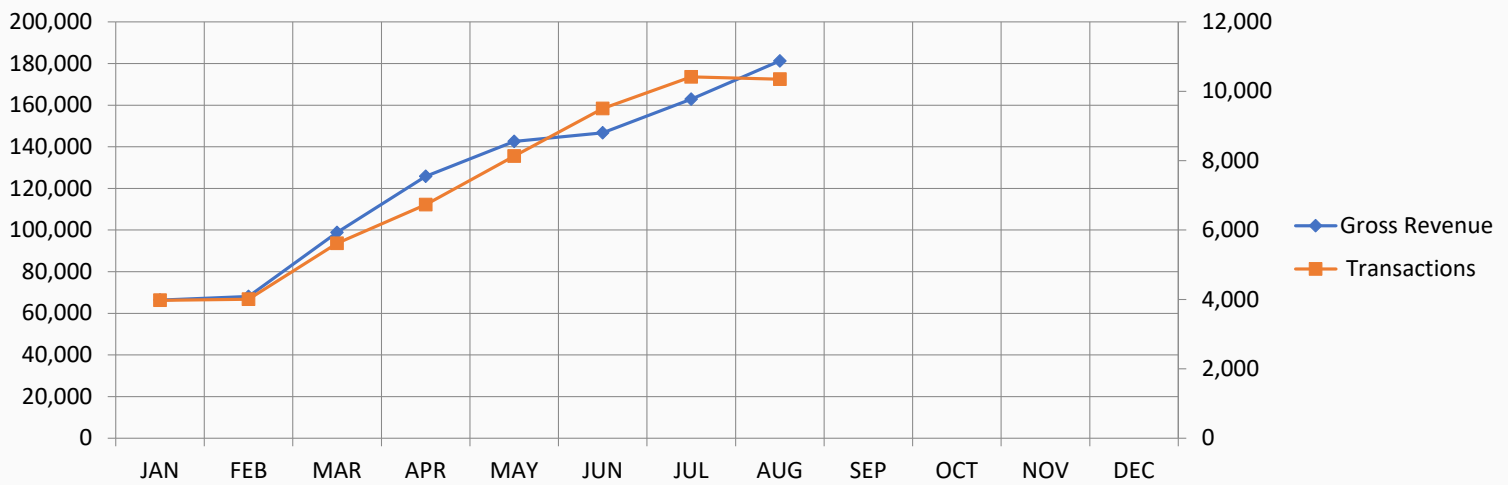
2021 Market Share



2021	Avis	Budget	Enterprise	Hertz	National/ Alamo	Total	YTD Total	Annual YTD Inc/Dec	
JAN	63,490	37,121	68,456	115,341	90,873	375,281	375,281	↓	-45.5%
FEB	88,747	47,482	85,630	138,855	96,619	457,332	832,613	↓	-36.9%
MAR	137,342	97,006	114,654	208,673	148,899	706,573	1,539,186	↓	-11.0%
APR	171,522	88,618	143,501	235,388	189,830	828,859	2,368,045	↑	28.9%
MAY	242,237	140,693	182,533	295,030	203,100	1,063,592	3,431,637	↑	70.0%
JUN	307,265	192,646	257,472	409,070	224,989	1,391,441	4,823,079	↑	100.3%
JUL	227,496	158,122	261,933	518,255	246,824	1,412,630	6,235,709	↑	108.7%
AUG	256,062	172,401	277,202	486,233	211,488	1,403,386	7,639,095	↑	107.6%
SEP						0			
OCT						0			
NOV						0			
DEC						0			
TOTAL	1,494,161	934,088	1,391,380	2,406,844	1,412,622	7,639,095	7,639,095		
Market Share	19.56%	12.23%	18.21%	31.51%	18.49%	100.00%			

2020	Avis	Budget	Enterprise	Hertz	National/ Alamo	Total	YTD Total
JAN	148,148	79,389	107,387	191,822	162,290	689,036	689,036
FEB	112,051	86,125	99,679	183,678	148,540	630,073	1,319,109
MAR	89,199	57,440	81,502	81,502	100,958	410,601	1,729,710
APR	11,914	9,709	40,198	27,460	18,460	107,741	1,837,451
MAY	24,990	12,252	70,094	41,400	32,427	181,163	2,018,614
JUN	66,889	34,070	104,997	98,136	85,495	389,587	2,408,201
JUL	129,099	60,887	139,672	108,663	141,798	580,119	2,988,320
AUG	141,420	65,178	171,127	149,434	164,014	691,173	3,679,493
SEP	148,427	81,184	220,120	186,261	180,941	816,933	4,496,427
OCT	171,673	105,320	198,626	218,113	211,286	905,017	5,401,444
NOV	81,714	46,375	142,471	146,286	118,060	534,906	5,936,350
DEC	74,890	43,318	106,597	128,086	88,370	441,262	6,377,612
TOTAL	1,200,415	681,247	1,482,471	1,560,841	1,452,639	6,377,612	
Market Share	18.82%	10.68%	23.24%	24.47%	22.78%	100.00%	

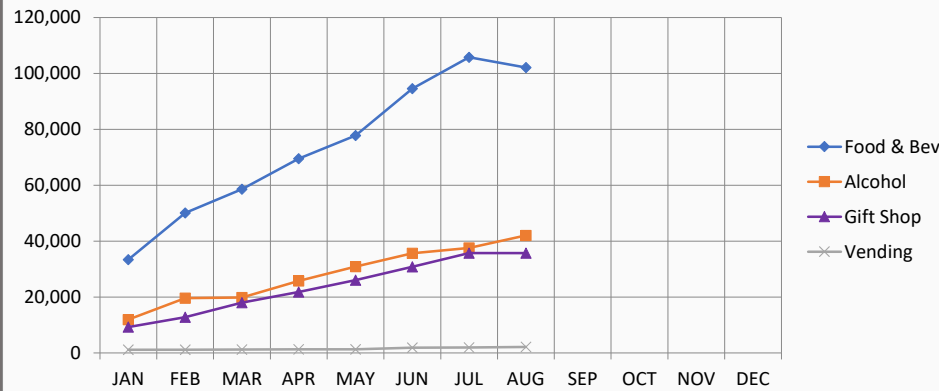
2021 Parking Revenues



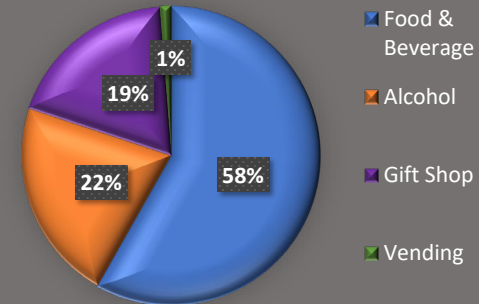
2021	Gross Revenue	Transactions	YTD Gross Revenue	YTD Transactions	Revenue per Transaction
JAN	66,348	3,974	66,348	3,974	\$ 16.70
FEB	68,043	4,007	134,391	7,981	\$ 16.98
MAR	98,838	5,620	233,229	13,601	\$ 17.59
APR	125,854	6,731	359,083	20,332	\$ 18.70
MAY	142,565	8,135	501,648	28,467	\$ 17.52
JUN	146,746	9,501	648,394	37,968	\$ 15.45
JUL	162,832	10,415	811,226	48,383	\$ 15.63
AUG	181,250	10,348	992,476	58,731	\$ 17.52
SEP					
OCT					
NOV					
DEC					
TOTAL	992,476	58,731	992,476	58,731	\$ 16.90

2020	Gross Revenue	Transactions	YTD Gross Revenue	YTD Transactions	Revenue per Transaction
JAN	164,404	9,126	164,404	9,126	\$ 18.01
FEB	169,830	8,653	334,234	17,779	\$ 19.63
MAR	105,709	6,139	439,943	23,918	\$ 17.22
APR	10,638	955	450,581	24,873	\$ 11.14
MAY	23,117	2,086	473,698	26,959	\$ 11.08
JUN	34,278	3,313	507,976	30,272	\$ 10.35
JUL	50,058	4,732	558,034	35,004	\$ 10.58
AUG	63,698	4,840	621,732	39,844	\$ 13.16
SEP	73,618	4,900	695,350	44,744	\$ 15.02
OCT	88,822	5,423	784,172	50,167	\$ 16.38
NOV	85,318	4,781	869,490	54,948	\$ 17.85
DEC	68,555	4,818	938,045	59,766	\$ 14.23
TOTAL	938,045	59,766	938,045	59,766	\$ 15.70

2021 Terminal Concessions Revenues



2021 Market Share



2021	Food & Beverage	Alcohol	Gift Shop	Vending	Total	Annual Inc/Dec
JAN	33,403	11,949	9,255	1,131	\$ 55,738	↓ -58.0%
FEB	50,088	19,620	12,802	1,135	\$ 83,645	↓ -36.7%
MAR	58,629	19,854	17,992	1,200	\$ 97,674	↑ 44.6%
APR	69,494	25,759	21,809	1,268	\$ 118,330	↑ 3726.7%
MAY	77,826	30,877	26,036	1,313	\$ 136,052	↑ 723.2%
JUN	94,602	35,625	30,789	1,871	\$ 162,887	↑ 390.4%
JUL	105,793	37,529	35,716	1,973	\$ 181,010	↑ 208.4%
AUG	102,135	42,046	35,720	2,136	\$ 182,036	↑ 181.9%
SEP						
OCT						
NOV						
DEC						
TOTAL	591,969	223,258	190,117	12,026	1,017,370	

2020	Food & Beverage	Alcohol	Gift Shop	Vending	Total
JAN	78,821	26,260	24,312	3,465	\$ 132,858
FEB	75,834	29,681	23,246	3,439	\$ 132,200
MAR	38,246	15,689	12,351	1,260	\$ 67,547
APR	2,212	148	288	444	\$ 3,092
MAY	10,000	2,991	3,096	440	\$ 16,528
JUN	19,958	7,584	5,280	396	\$ 33,218
JUL	34,685	11,651	11,964	394	\$ 58,694
AUG	39,515	10,492	14,122	443	\$ 64,572
SEP	45,333	16,705	15,065	714	\$ 77,817
OCT	57,108	18,769	19,913	757	\$ 96,547
NOV	41,169	13,311	13,838	764	\$ 69,082
DEC	43,002	15,232	12,005	866	\$ 71,105
TOTAL	485,884	168,515	155,481	13,382	823,261
Market Share	59%	20%	19%	2%	100%

Grand Junction Regional Airport Authority

Statements of Changes in Net Position

Unaudited - subject to change

As of Date:

08/31/2021

		Month			Budget Variance		Prior Year Variance	
		08/31/2021	08/31/2021	08/31/2020				
		Budget	Actual	PY Actual	Budget \$ Var	Budget % Var	PY \$ Var	PY % Var
Operating revenue								
Aeronautical revenue								
Passenger airline revenue								
1	Passenger airline landing fees	41,200	58,104	38,642	16,904	41.03 %	19,462	50.36 %
2	Terminal rent	102,917	93,327	102,956	(9,590)	(9.32) %	(9,629)	(9.35) %
3	Other (boarding bridge)	1,294	2,154	1,761	860	66.46 %	393	22.32 %
	Total Passenger airline revenue	145,411	153,585	143,359	8,174	5.62 %	10,226	7.13 %
Non-passenger airline revenue								
4	Non-passenger landing fees	8,848	13,701	69,576	4,853	54.85 %	(55,875)	(80.31) %
5	Cargo and hangar rentals	4,608	4,616	4,562	8	0.17 %	54	1.18 %
6	Fuel tax	11,500	23,304	12,372	11,804	102.64 %	10,932	88.36 %
7	Fuel Flowage Fees and Sales	43,600	35,739	76,314	(7,861)	(18.03) %	(40,575)	(53.17) %
8	Other (ramp parking, rapid refuel)	620	900	630	280	45.16 %	270	42.86 %
	Total Non-passenger airline revenue	69,176	78,260	163,454	9,084	13.13 %	(85,194)	(52.12) %
	Total Aeronautical revenue	214,587	231,845	306,813	17,258	8.04 %	(74,968)	(24.43) %
Non-aeronautical revenue								
9	Land and building leases	49,300	49,135	49,096	(165)	(0.33) %	39	0.08 %
10	Terminal - restaurant & retail	7,000	17,990	6,413	10,990	157.00 %	11,577	180.52 %
11	Terminal - other	15,041	15,295	15,295	254	1.69 %	-	0.00 %
12	Rental cars	64,343	176,361	94,459	112,018	174.10 %	81,902	86.71 %
13	Parking	59,000	160,722	48,243	101,722	172.41 %	112,479	233.15 %
14	Ground Transportation	2,571	6,136	2,759	3,565	138.66 %	3,377	122.40 %
15	Other (advertising, security fee, vending, etc)	6,403	6,031	2,236	(372)	(5.81) %	3,795	169.72 %
	Total Non-aeronautical revenue	203,658	431,670	218,501	228,012	111.96 %	213,169	97.56 %
	Total Operating revenues	418,245	663,515	525,314	245,270	58.64 %	138,201	26.31 %

Grand Junction Regional Airport Authority

Statements of Changes in Net Position

Unaudited - subject to change

As of Date:

08/31/2021

		08/31/2021	8/31/2019	Variance to 2019	
		Actual	Actual	\$ Var	% Var
Operating revenue					
Aeronautical revenue					
Passenger airline revenue					
1	Passenger airline landing fees	58,104	52,395	5,709	10.90 %
2	Terminal rent	93,327	98,874	(5,547)	(5.61) %
3	Other (boarding bridge)	2,154	10,243	(8,089)	(78.97) %
	Total Passenger airline revenue	153,585	161,512	(7,927)	(4.91) %
Non-passenger airline revenue					
4	Non-passenger landing fees	13,701	9,637	4,064	42.17 %
5	Cargo and hangar rentals	4,616	4,483	133	2.97 %
6	Fuel tax	23,304	19,708	3,596	18.25 %
7	Fuel Flowage Fees and Sales	35,739	51,871	(16,132)	(31.10) %
8	Other (ramp parking, rapid refuel)	900	720	180	25.00 %
	Total Non-passenger airline revenue	78,260	86,419	(8,159)	(9.44) %
	Total Aeronautical revenue	231,845	247,931	(16,086)	(6.49) %
Non-aeronautical revenue					
9	Land and building leases	49,135	48,614	521	1.07 %
10	Terminal - restaurant & retail	17,990	12,496	5,494	43.97 %
11	Terminal - other	15,295	15,042	253	1.68 %
12	Rental cars	176,361	120,607	55,754	46.23 %
13	Parking	160,722	117,307	43,415	37.01 %
14	Ground Transportation	6,136	5,302	834	15.73 %
15	Other (advertising, security fee, vending, etc)	6,031	9,895	(3,864)	(39.05) %
	Total Non-aeronautical revenue	431,670	329,263	102,407	31.10 %
	Total Operating revenues	663,515	577,194	86,321	14.96 %

Variance Explanations - August 2021 Revenue compared to budget - Preliminary Financial Statements

Note that expenses have not been presented and compared on a monthly basis, because the timing of incurring expenses are more difficult to estimate and the YTD variances are more meaningful. Variance explanations and account explanations have been provided below for revenue accounts that have a budget to actual variance of more than 5% and where the revenue category makes up at least 5% of the monthly operating revenue budget for August (\$21,000). Explanations are not provided for prior year variances because we do not expect any of the accounts to align with prior year except the fixed rent revenues.

Operating Revenues:

- 1 **Passenger airline landing fees** – The passenger landing fee revenue budget assumed 287 commercial landings in August 2021, and actual scheduled landings were 511, 30 of which were credited for incentive routes. All airlines exceeded their original budgeted projections. Additionally, there were 10 diversion landings in August. As a result, passenger airline landing revenue was 41% above budget.
- 2 **Terminal Rent** – Terminal rent is a fixed charge to the airlines that covers their individual ticket counters and office space, as well as the shared space that includes: ticket queuing area, baggage claim, and secure hold room. The decrease from budget is due to the new service incentive credits applied to the shared space areas based on the number of passengers, in August this incentive credit totaled \$14,306.
- 7 **Fuel flowage fees and fuel sales** – Fuel flowage fees are collected from non-commercial fueling at the airport and therefore are influenced by GA operations, primarily military and fire fighting operations. The 2021 budget assumed that GA operations and fuel sales would be at approximately 85% of the 2019 (pre-pandemic) activity levels. However, there was 69% less military fuel pumped in August 2021 than August 2019, driving the budget variance.
- 12 **Rental Cars** - Rental car revenue exceeded budget by more than 174% or \$112K. This is due to the increase in enplaned passengers which was more than double the original budget (more than 14,600 additional passengers) as well as increases in the daily rental rates.
- 13 **Parking** - Parking revenue exceeded budget by 172% for August 2021. The spending per passenger for parking is still below the pre-COVID levels, primarily due to a change in the passenger mix between business and leisure travel but is exceeding budget expectations.

Grand Junction Regional Airport Authority

Statements of Changes in Net Position

Unaudited - subject to change

		Year to Date			Budget Variance		Prior Year Variance	
		08/31/2021	08/31/2021	08/31/2020				
		Budget	Actual	PY Actual	Budget \$ Remaining	Budget % Remaining	PY \$ Var	PY % Var
Operating revenue								
Aeronautical revenue								
Passenger airline revenue								
1	Passenger airline landing fees	\$ 262,700	\$ 431,291	\$ 300,531	\$ 168,591	64.18 %	\$ 130,760	43.51 %
2	Terminal rent	823,336	786,473	829,116	(36,863)	(4.48) %	(42,643)	(5.14) %
3	Other (boarding bridge)	9,059	16,627	14,360	7,568	83.54 %	2,267	15.79 %
	<i>Total Passenger airline revenue</i>	<i>1,095,095</i>	<i>1,234,391</i>	<i>1,144,007</i>	<i>139,296</i>	<i>12.72 %</i>	<i>90,384</i>	<i>7.90 %</i>
Non-passenger airline revenue								
4	Non-passenger landing fees	70,784	109,695	154,109	38,911	54.97 %	(44,414)	(28.82) %
5	Cargo and hangar rentals	36,726	36,765	36,257	39	0.11 %	508	1.40 %
6	Fuel tax	92,000	126,402	104,538	34,402	37.39 %	21,864	20.91 %
7	Fuel Flowage Fees and Sales	290,100	309,919	279,276	19,819	6.83 %	30,643	10.97 %
8	Other (ramp parking, rapid refuel)	3,860	6,900	3,900	3,040	78.76 %	3,000	76.92 %
	<i>Total Non-passenger airline revenue</i>	<i>493,470</i>	<i>589,681</i>	<i>578,080</i>	<i>96,211</i>	<i>19.50 %</i>	<i>11,601</i>	<i>2.01 %</i>
	<i>Total Aeronautical revenue</i>	<i>1,588,565</i>	<i>1,824,072</i>	<i>1,722,087</i>	<i>235,507</i>	<i>14.83 %</i>	<i>101,985</i>	<i>5.92 %</i>
Non-aeronautical revenue								
9	Land and building leases	394,400	408,969	410,918	14,569	3.69 %	(1,949)	(0.47) %
10	Terminal - restaurant & retail	47,000	100,535	60,762	53,535	113.90 %	39,773	65.46 %
11	Terminal - other	120,328	122,354	121,707	2,026	1.68 %	647	0.53 %
12	Rental cars	465,600	990,376	538,772	524,776	112.71 %	451,604	83.82 %
13	Parking	495,000	820,064	517,282	325,064	65.67 %	302,782	58.53 %
14	Ground Transportation	18,299	33,684	20,374	15,385	84.08 %	13,310	65.33 %
15	Other (advertising, security fee, etc.)	39,048	51,676	22,348	12,628	32.34 %	29,328	131.23 %
	<i>Total Non-aeronautical revenue</i>	<i>1,579,675</i>	<i>2,527,658</i>	<i>1,692,163</i>	<i>947,983</i>	<i>60.01 %</i>	<i>835,495</i>	<i>49.37 %</i>
	Total Operating Revenues	\$ 3,168,240	\$ 4,351,730	\$ 3,414,250	\$ 1,183,490	37.35 %	\$ 937,480	27.46 %

Grand Junction Regional Airport Authority

Statements of Changes in Net Position

Unaudited - subject to change

		08/31/2021	8/31/2019	Variance to 2019	
		Actual	Actual	\$ Var	% Var
Operating revenue					
Aeronautical revenue					
Passenger airline revenue					
1	Passenger airline landing fees	\$ 431,291	\$ 419,932	\$ 11,359	2.70 %
2	Terminal rent	786,473	788,283	(1,810)	(0.23) %
3	Other (boarding bridge)	16,627	84,459	(67,832)	(80.31) %
	<i>Total Passenger airline revenue</i>	<u>1,234,391</u>	<u>1,292,674</u>	<u>(58,283)</u>	<u>(4.51) %</u>
Non-passenger airline revenue					
4	Non-passenger landing fees	109,695	62,660	47,035	75.06 %
5	Cargo and hangar rentals	36,765	35,533	1,232	3.47 %
6	Fuel tax	126,402	136,311	(9,909)	(7.27) %
7	Fuel Flowage Fees and Sales	309,919	349,202	(39,283)	(11.25) %
8	Other (ramp parking, rapid refuel)	6,900	4,620	2,280	49.35 %
	<i>Total Non-passenger airline revenue</i>	<u>589,681</u>	<u>588,326</u>	<u>1,355</u>	<u>0.23 %</u>
	<i>Total Aeronautical revenue</i>	<u>1,824,072</u>	<u>1,881,000</u>	<u>(56,928)</u>	<u>(3.03) %</u>
Non-aeronautical revenue					
9	Land and building leases	408,969	394,406	14,563	3.69 %
10	Terminal - restaurant & retail	100,535	112,568	(12,033)	(10.69) %
11	Terminal - other	122,354	120,521	1,833	1.52 %
12	Rental cars	990,376	867,402	122,974	14.18 %
13	Parking	820,064	983,403	(163,339)	(16.61) %
14	Ground Transportation	33,684	51,299	(17,615)	(34.34) %
15	Other (advertising, security fee, etc.)	51,676	70,367	(18,691)	(26.56) %
	<i>Total Non-aeronautical revenue</i>	<u>2,527,658</u>	<u>2,599,966</u>	<u>(72,308)</u>	<u>(2.78) %</u>
	<i>Total Operating Revenues</i>	<u>\$ 4,351,730</u>	<u>\$ 4,480,966</u>	<u>\$ (129,236)</u>	<u>(2.88) %</u>

Grand Junction Regional Airport Authority

Statements of Changes in Net Position

Unaudited - subject to change

		Year to Date			Budget Variance		Prior Year Variance	
		08/31/2021	08/31/2021	08/31/2020				
		Budget	Actual	PY Actual	Budget \$ Variance	Budget % Variance	PY \$ Var	PY % Var
Operating expenses								
16	Personnel compensation and benefits	\$ 1,749,872	\$ 1,543,448	\$ 1,593,479	(206,424)	(11.80) %	(50,031)	(3.14) %
17	Communications and utilities	207,143	230,036	201,609	22,893	11.05 %	28,427	14.10 %
18	Supplies and materials	235,572	329,437	255,085	93,865	39.85 %	74,352	29.15 %
19	Contract services	513,456	439,975	393,144	(73,481)	(14.31) %	46,831	11.91 %
20	Repairs & maintenance	251,300	219,034	174,817	(32,266)	(12.84) %	44,217	25.29 %
21	Insurance	86,520	82,297	78,592	(4,223)	(4.88) %	3,705	4.71 %
22	Training, Travel, & Air Service Development	110,672	42,547	59,319	(68,125)	(61.56) %	(16,772)	(28.27) %
23	Other Expense (marketing, professional dues, etc)	28,755	113,078	36,201	84,323	293.25 %	76,877	212.36 %
24	Contingency Expense	-	-	-	-	0.00 %	-	0.00 %
<i>Total Operating expenses</i>		3,183,290	2,999,852	2,792,246	(183,438)	(5.76) %	207,606	7.44 %
Non-operating revenue (expenses)								
25	Passenger facility charges	382,800	727,534	423,602	344,734	90.06 %	303,932	71.75 %
26	Interest income	28,000	24,502	54,672	(3,498)	(12.49) %	(30,170)	(55.18) %
27	Interest expense	(512,336)	(512,432)	(527,440)	(96)	(0.02) %	15,008	2.85 %
28	Customer facility charges	253,386	423,812	156,584	170,426	67.26 %	267,228	170.66 %
29	Capital contributions	18,417,000	12,351,032	5,314,179	(6,065,968)	(32.94) %	7,036,853	132.42 %
29	Capital expenditures	(20,803,471)	(13,420,641)	(7,510,073)	7,382,830	35.49 %	(5,910,568)	-78.70 %
30	Debt principal payments	-	-	-	-	0.00 %	-	0.00 %
31	Other	-	-	(2,054)	-	0.00 %	2,054	(100.00) %
<i>Total Non-operating revenue (expenses)</i>		(2,234,621)	(406,193)	(2,090,530)	1,828,428	81.82 %	1,684,337	80.57 %
Excess of revenue over (under) expense		\$ (2,249,671)	\$ 945,685	\$ (1,468,526)	3,195,356	142.04 %	2,414,211	164.40 %

Grand Junction Regional Airport Authority

Statements of Changes in Net Position

Unaudited - subject to change

		08/31/2021	8/31/2019	Prior Year Variance	
		Actual	Actual	\$ Var	% Var
Operating expenses					
16	Personnel compensation and benefits	\$ 1,543,448	\$ 1,571,383	(27,935)	(1.78) %
17	Communications and utilities	230,036	209,788	20,248	9.65 %
18	Supplies and materials	329,437	336,605	(7,168)	(2.13) %
19	Contract services	439,975	419,681	20,294	4.84 %
20	Repairs & maintenance	219,034	243,564	(24,530)	(10.07) %
21	Insurance	82,297	74,279	8,018	10.79 %
22	Training, Travel, & Air Service Development	42,547	133,566	(91,019)	(68.15) %
23	Other Expense (marketing, professional dues, etc.)	113,078	33,085	79,993	241.78 %
24	Contingency Expense	-	3,596	(3,596)	0.00 %
<i>Total Operating expenses</i>		<u>2,999,852</u>	<u>3,025,547</u>	<u>(25,695)</u>	<u>(0.85) %</u>
Non-operating revenue (expenses)					
25	Passenger facility charges	727,534	706,678	20,856	2.95 %
26	Interest income	24,502	171,205	(146,703)	(85.69) %
27	Interest expense	(512,432)	(542,126)	29,694	5.48 %
28	Customer facility charges	423,812	488,160	(64,348)	(13.18) %
29	Capital contributions	12,351,032	2,172,302	10,178,730	468.57 %
29	Capital expenditures	(13,420,641)	(7,116,476)	(6,304,165)	-88.59 %
30	Debt principal payments	-	-	-	0.00 %
31	Other	-	-	-	0.00 %
<i>Total Non-operating revenue (expenses)</i>		<u>(406,193)</u>	<u>(4,120,257)</u>	<u>3,714,064</u>	<u>90.14 %</u>
Excess of revenue over (under) expense		<u>\$ 945,685</u>	<u>\$ 3,414,250</u>	<u>4,677,239</u>	<u>(136.99) %</u>

GJRAA - Breakdown of Capital Expenditure Costs Year-to-Date through August 31, 2021

2021 AIP CAPITAL EXPENDITURES INCURRED AND GRANT REVENUE RECOGNIZED

Grand Number	Project/Grant Description	2021 Project Costs Incurred	FAA Grant Revenue Recognized in 2021	CDOT Grant Revenue Recognized	2021 GJRAA Local Share
AIP 62	Relocate perimeter road, fencing, and MALSR design	4,078	3,670	-	408
AIP 63	Road, Fencing, drainage pond, and earthwork	6,706	6,035	-	671
AIP 66	Construct Run-up Pad & Rehab Apron	9,076,687	9,076,687	-	-
AIP 67	Taxiway A and RWY 11-29 Construction	2,132,634	2,132,634	-	-
AIP 68	Runway Design - Earthwork, Prism, and Drainage	1,060,786	1,060,786	-	-
AIP 69	Airport Development Plan	38,151	38,151	-	-
Total AIP Projects		\$ 12,319,042	\$ 12,317,963	\$ -	\$ 1,079

** Note that CARES Act and the ACGRP Grants are available to draw down for operating costs. As of August 31, 2021, no draws have yet been made to reimburse 2021 costs incurred and revenue will be recognized as draw down requests are submitted.

2021 NON-AIP CAPITAL EXPENDITURES INCURRED

Project Description	2021 Costs Incurred
Admin Building Landscaping	31,162
Terminal Improvements - Non-Rental Car	756,401
Rental Car Area Improvements	206,626
Security System Updates	12,387
ATCT A/C Compressor	9,758
Gravity Roller Outbound Baggage Improvements	16,429
RWY 4-22 Rehab Design	68,838
Total Non-AIP Projects	\$ 1,101,600
Total Capital Expenditures YTD \$ 13,420,642	

Variance Explanations - August 31, 2021 Preliminary Financial Statements

Variance explanations have been provided below for revenue and expense accounts that have a budget variance of more than 5% and where the revenue or expense category makes up at least 5% of the YTD operating budget of \$158,000 for revenue and \$192,000 for all non-capital expenses. Explanations are not provided for prior year variances because we do not expect most of the accounts to align with prior year.

YTD August 2021 passenger traffic was up 69% (about 63,300 enplanements) from budget and scheduled commercial landings exceeded budget by 74%. Activity YTD through August has surpassed budgeted expectations.

Operating Revenues: Operating revenues were \$1.18M ahead of budget through August 2021 due to higher than expected commercial landings and enplaned passengers. Total budgeted operating revenue for the year is \$4.88M. Through August 31, 2021, GJRAA budgeted to earn approximately 65% of the annual revenue and has actually earned approximately 89% of the annual budgeted revenue.

- 1 **Passenger Landing Fees** - Passenger landing fees year to date were \$168K above budgeted expectations. This positive budget variance is expected based on the current activity levels that far exceed the budget assumptions.
- 7 **Fuel Flowage Fees** - Fuel flowage fees are not charged to commercial carriers, but tend to have a positive correlation with GA operations. Flowage fees were budgeted at 85% of 2019. Total operations were 19% higher through August 2021 than the same period in 2019, which corresponds to the favorable budget variance in flowage fee revenue.
- 12 **Rental Cars** - Rental Car Revenue exceeded budget year-to-date through August 2021 as a result of the higher than expected passenger traffic and increased average daily rates and is 14% higher than the YTD rental car revenue through August 2019.
- 13 **Parking** - Parking revenue exceeded budget year to date through August 2021 due to the increase in passengers, but spending per enplaned passenger is at approximately \$5.03 and remains below the pre-pandemic levels (2019 YTD through August was \$5.66/enplanement).

Operating Expenses: Total Operating Expenses through August 2021 were \$183k below budget. Most of the budget variance is in personnel compensation due to unforeseen vacancies. The remainder of the favorable budget variance is spread fairly evenly across the operating expense categories.

- 16 **Personnel Compensation & Benefits** – Compensation and benefits were below budget due to vacant positions that haven't been filled as soon as budgeted for, specifically two landside positions and one custodial position.
- 17 **Communications and Utilities** – Communications and Utilities were \$23,000 above budget. This increase is due to increases in electricity in February and March, as well as, hotter than average summer months. Additionally, a new HVAC unit was installed to the upper boarding area in June that was not accounted for in the 2021 budget.
- 18 **Supplies & Materials** – Supplies & Materials costs were \$93,800 above budget YTD through August. Of this budget variance, \$82k is due to higher than expected rental car fuel purchases from increased activity and higher fuel prices, which corresponds to the \$84k increase over budget in rental car fuel revenues for the same period. The remaining difference is due to the purchase & installation of the Gate Information Display Systems (GIDS).
- 19 **Contract Services** – Contract services are \$73,400 below the year to date budget through August 2021 primarily due to both Engineering and Planning services and IT services that are budgeted evenly throughout the year that were running below budget through August.
- 20 **Repairs & Maintenance** – Repairs and Maintenance activities were \$32,000 below budget through August 2021. The timing of incurring these costs is somewhat unpredictable, therefore we estimated even spending for budget purposes. The replacement of the A/C compressor in the Air Traffic Control Tower and roadway sign refurbishments were the only major repairs YTD through August.

Non-Operating Revenues and Expenses:

- 25 **PFC Revenue** – PFC revenue was above budget because actual passenger numbers through August 2021 were higher than budget resulting in higher than expected PFC revenue.
- 28 **CFC Revenue** – CFC revenue was above budget due to the increase in passengers as well as a notable increase in the number of days cars are rented for. YTD August 2021 had an average rental transaction of 4.56 days compared to 3.71 for the same period in 2020 and 3.86 days in 2019.
- 29 **Capital Contributions & Expenditures** – The timing of capital contributions (grant revenue) and capital expenditures is somewhat unpredictable therefore the budget represents the full annual budget and the budget variance represents the remaining budget. Year to date through August 31, 2021 the Airport has utilized approximately 65% of the annual capital budget. The majority of the capital costs are expected to be incurred between March and October. See the attached detail of costs incurred by project.

Grand Junction Regional Airport Authority

Statement of Financial Position - Unaudited, subject to change

		Month Ending 08/31/2021	Month Ending 07/31/2021	Variance
Assets				
Current Assets				
	Cash and Cash Equivalents - Unrestricted	\$ 14,313,357	\$ 13,718,417	\$ 594,940
	Cash and Cash Equivalents - Restricted	2,534,946	2,453,266	81,680
1	<i>Total Cash and Cash Equivalents</i>	<u>16,848,303</u>	<u>16,171,683</u>	<u>676,620</u>
Accounts Receivable				
	Accounts Receivable - Ops, net of allowance of \$24,000	1,015,263	1,070,053	(54,791)
	Accounts Receivable - Capital	4,533,102	6,465,912	(1,932,810)
2	<i>Total Accounts Receivable, Net</i>	<u>5,548,365</u>	<u>7,535,965</u>	<u>(1,987,601)</u>
3	Prepaid Expenses	152,683	165,934	(13,251)
	<i>Total Current Assets</i>	<u>22,549,351</u>	<u>23,873,582</u>	<u>(1,324,232)</u>
Non-Current Assets				
Capital Assets				
	Capital Assets not subject to depreciation	15,753,237	15,753,237	-
	Capital Assets subject to depreciation, net	55,164,920	55,581,219	(416,299)
4	<i>Total Capital Assets, Net</i>	<u>70,918,157</u>	<u>71,334,457</u>	<u>(416,299)</u>
5	Bond Project Fund	415,583	415,573	9
	<i>Total Non-Current Assets</i>	<u>71,333,740</u>	<u>71,750,030</u>	<u>(416,290)</u>
	Total Assets	<u>93,883,090</u>	<u>95,623,612</u>	<u>(1,740,522)</u>
6	Deferred Outflows of Resources - Pension Plan	<u>490,761</u>	<u>490,761</u>	<u>-</u>
Liabilities				
Current Liabilities				
7	Accounts Payable - Ops	195,212	170,135	25,076
7	Accounts Payable - Capital	3,486,775	5,267,894	(1,781,118)
8	Accrued Expenses	219,941	220,320	(378)
9	Lease Deposits	154,140	158,200	(4,060)
10	Deferred Revenue	25,067	25,067	-
11	Current portion of capital lease and bonds payable	1,129,232	1,065,244	63,988
	<i>Total Current Liabilities</i>	<u>5,210,367</u>	<u>6,906,860</u>	<u>(1,696,493)</u>
Long Term Liabilities				
	Bond and capital lease payable	17,239,558	17,239,558	-
	Deferred Revenue	378,089	380,178	(2,089)
	Net Pension and OPEB Liability	1,975,954	1,975,954	-
12	<i>Total Long Term Liabilities</i>	<u>19,593,601</u>	<u>19,595,690</u>	<u>(2,089)</u>
	<i>Total Liabilities</i>	<u>24,803,968</u>	<u>26,502,550</u>	<u>(1,698,582)</u>
13	Deferred Inflows of Resources - Pension Plan	<u>781,350</u>	<u>781,350</u>	<u>-</u>
	Total Net Position	<u>\$ 68,788,533</u>	<u>\$ 68,830,473</u>	<u>\$ (41,940)</u>

Variance Explanations - August 2021 Statement of Financial Position

Assets: Total Assets decreased by \$1.74M from July 2021 to August 2021 driven by the \$1.9M decrease in capital grants receivable and depreciation recognized in August.

- 1 **Cash** – Cash increased by \$677k from July 2021 to August 2021. The increase was primarily due to the receipt of grant reimbursements in excess of capital project payments made in August. The rest is due to payments received on current revenue.
- 2 **Accounts Receivable** – Accounts receivable includes both operating receivables and capital receivables from grants. Operating receivables decreased approximately \$55k due to the receipt of payments from the increased traffic in early summer. Due to the receipt of several AIP reimbursements and less construction costs incurred during the month, the capital receivables from grants had a decrease of \$1.9M.
- 3 **Prepaid Expenses** – Prepaid expenses are primarily related to insurance contracts and software subscriptions that we pay annually, or in advance, that we will receive benefit for over a period of time. As we use these services over the policy or contract period, the amount is recognized as an expense, rather than expensing the entire annual cost in the month that it is paid. The decrease in this account is the recognition of the portion of prepaid expense used in that month.
- 4 **Capital Assets, Net** – Historically, the airport has not capitalized equipment throughout the year as it is purchased, but instead, expenses all purchases as part of capital expenditures and then capitalizes assets at year end. This allows us to track spending for budget purposes. Therefore, the only change in the fixed assets accounts that will be seen on a monthly basis is the regular monthly depreciation based on assets placed in service as of December 31, 2020.
- 5 **Bond Project Fund** – The remaining bond project fund balance represents interest earnings that were accumulated on the project funds. The accumulated interest is still restricted in purpose, but is available to cover debt service.

Deferred Outflows of Resources:

- 6 **Deferred Outflows of Resources - Pension Plan** – The deferred outflows of resources represent a timing difference for recognizing changes in the estimated pension liability for our PERA pension and health plans offered to employees. The pension liability is only re-valued annually so there is no change from month to month. The change in these accounts all represent accounting estimates and non-cash transactions. These amounts will only change once per year when the calculation is updated.

Liabilities: Total Liabilities decreased \$1.7M from July 2021 to August 2021 due to a decrease in capital accounts payable associated with the airfield projects.

- 7 **Accounts Payable** – Similar to accounts receivable, the majority of the balance and the variance from month to month is caused by the capital expenses payable to contractors and engineers associated with our capital projects. Capital accounts payable and receivable should have a positive correlation in periods when we are working primarily on AIP projects where the majority of the cost is funded by the FAA. In August, the primary activity was construction on the West Apron & Run-Up Pad done by ESCO and Taxiway A and Runway 11/29 Rehab. The majority of the projects materials for the Apron and Run-up Pad were placed in June & July and paid to ESCO in August resulting in a \$1.7M decrease in capital payables.
- 8 **Accrued Expenses** – This category is primarily made up of liabilities for un-used PTO (approximately \$169,000) and payroll accruals to properly recognize payroll expenses in the periods that the employees have worked. Changes in this account month to month are almost entirely related to changes in the payroll accruals.
- 9 **Lease Deposits** – Lease deposits are primarily made up of General Aviation Lease deposits that were required in the standard ground lease based on a number of month's rent. We also hold deposits for parking passes held by airport tenant employees. These amounts are payable back to tenants at the end of the lease, or as parking passes are returned. The balance of deposits typically does not change materially from period to period as activity is limited.
- 10 **Deferred Revenue** – This liability represents rent received in advance and is primarily made up of a pre-payment received by the BLM in 2017. Prepaid rent is a liability because we have not provided our tenant with the space for the period of time that they paid us for.
- 11 **Current Portion of capital lease and bonds payable** – This balance represents principal and interest due on the outstanding revenue bond and Yukon capital lease in the current calendar year. We have semi-annual payments due June 1 and December 1 for the bond and one annual payment on the vehicle lease in June. The change from the prior month represents the amount of interest expense incurred during the period.
- 12 **Long-Term Liabilities** – The long-term bond payable and capital payable balance is updated annually in December to reflect the remaining portion due beyond one year, therefore there is no change from the prior month. The net Pension liability is also only calculated annually, so there will be no change in this amount. This is the actuarial estimate of the airports portion of the unfunded Pension liability for PERA. Long-term deferred revenue represents pre-paid revenues for years after 2021.

Deferred Inflows of Resources:

- 13 **Deferred Inflows of Resources - Pension Plan** – Similar to deferred outflows described above, the deferred inflows of resources represent a timing difference for recognizing changes in the estimated pension liability for our PERA pension and health plans offered to employees. Deferred Inflows of resources actually represent increases to the pension liability that will be recognized in future years, primarily related to changes in actuarial assumptions. These will only be calculated annually, and therefore no changes will be seen month to month.