



Yakima Air Terminal - McAllister Field
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To: Bob Harrison, City Manager

From: Robert Peterson, Airport Director

Cc: Honorable Mayor and Members of the Yakima City Council

Date: Monday, January 4, 2021

Re: Coronavirus Response and Relief Supplemental Appropriations Act

On Sunday, December 27, 2020, the President of the United States signed into law the Coronavirus Response and Relief Supplemental Appropriations Act. The Act provides approximately \$2 billion dollars to support U.S. airports experiencing severe economic disruption caused by the COVID-19 public health emergency. These funds are available to municipalities, which own airports who meet statutory and policy requirements, under section 47102 of title 49 United States Code; and identified in the Federal Aviation Administration's (FAA) current National Plan of Integrated Airports System (NPIAS).

The Act sets aside approximately \$1.75 billion for commercial service airports to assist in the costs related to operations, personnel, debt service, cleaning, sanitization, janitorial services combating the threat of pathogens at the airport. Additionally, the Yakima Air Terminal-McAllister Field meets these specific qualifications for funding where the airport is slated to receive 100% grant funding for all 2021 Airport Improvement Program grant funds, thereby eliminating the local 10% match.

The distribution of funds will be in the form of a grant and administered by the FAA's Airport District Office. These funds may be used for any purpose for which airport revenues may be lawfully used. Grant recipients should follow the FAA's Policy and Procedures Concerning the Use of Airport Revenues ("Revenue Use Policy"), 64 Federal Register 7696 (64 FR 7696), as amended by 78 Federal Register 55330 (78 FR 55330). The Revenue Use Policy document defines permitted and prohibited uses of airport revenue. In addition to the detailed guidance in the Revenue Use Policy, the Act makes clear that the funds may not be used for any purpose not related to the airport.

Priority #1: Airport Fiscal Sustainability and Restoration of Air Service

Continued fiscal sustainability should be the first priority during the COVID-19 pandemic as various transportation sectors such as rental cars, airlines, vehicle parking, general and corporate aviation have witnessed unprecedented decrease in business activities. Revenues received from these sectors have decreased as passengers follow government recommendations to “stay at home”. Since March 2020, the airport has witnessed a slow recovery of passengers, which transfers to additional revenues from various transportation sectors. Although this recovery is steady, the airport continues to witness lost revenue compared to 2019’s budget. As council considers these funds it should be noted between the CARES Act funding and the Coronavirus Response and Relief Supplemental Appropriations Act will likely be the only financial support the airport may receive to survive the pandemic, therefore these funds will assist in the lost revenue in 2021 and beyond. The grant will assist with these offset revenues through invoices submitted to the FAA to be reimbursed for normal operations and maintenance expenses. It should be noted, many industry experts in the transportation industry suspect a slower than normal recovery with airline travel, which may result in a multi-year loss of airport revenues from each revenue generating sector. As the airline industry recovers from record reductions in airline routes, it will be imperative the airport focuses on restoring and expanding air service. Continued with the airport’s air service consultant, Alaska Airlines, and future airline destinations should be a top priority.

Priority #2: 2020 Airport Improvement Projects and Council Directed Strategic Initiatives

Upon stabilization of the airport’s 2021 budget using the grant, Council should consider continuing the airport’s original 2020 strategic priorities as outlined in the budget. These priorities include:

- Installation of the Close Caption Television System (CCTV) in the terminal building (operating budget);
- Replacement of the airport’s passenger boarding stairs (Passenger Facility Charge); and
- Replacement of the airport’s forklift (operating budget); and
- Rehabilitation of the East General Aviation Apron (grant funded).

Final Consideration Related to The CARES Act Funds

Upon securing the airport’s 2021 operating and capital budgets, the CARES grant can also be used for other capital projects or strategic priorities. These projects include, but are not limited to, asphalt maintenance or repairs, terminal building roof repairs, replacement of terminal apron ramp snowplow, expansion of airfield maintenance facility to house required maintenance and snow equipment, or installation of infrastructure for future development. Although these projects may qualify for CARES grant funds, it’s required to contact the FAA’s Airport District Office to ensure compliance with federal obligations, meets safety and security standards, National Environmental Protection Act, prevailing wage, and buy American requirements.

For additional clarification or information, please feel free to contact me at your convenience.