



Bismarck Airport

DATE: 5/17/2021
FROM: Gregory Haug, Airport Director
ITEM:

Consider deferral of airport rents and fees.

REQUEST:

Consider deferral of airport rents and fees.

Please place this item on the 5/25/2021 City Commission meeting agenda.

BACKGROUND INFORMATION:

On June 28, 2020 the Board considered and approved deferral of fees and charges for airlines, concessionaires and tenants as a result of economic downturn in business resulting from COVID-19. On December 8, the Board again considered and approved deferral of fees and charges for concessionaires. The Board took these actions:

1. Food and Beverage Concessionaire (Faber): Approve suspension of Minimum Annual Guarantee requirements until June 30, 2021.
2. Clear Channel Airports: Approve suspension of Minimum Annual Guarantee requirements until June 30, 2021.
3. Corner Café: Approve suspension of monthly minimum and apply only percentage of gross sales until June 30, 2021.
4. Reef Parking: Approve suspension of Minimum Annual Guarantee requirements until June 30, 2021.

Even with recent increases in passenger activity this spring, Airport concessionaires and tenants are still negatively impacted by reduced airline ridership. 2021 enplanements at Bismarck are still down 41.56% for the first four months as compared to the same time period in 2019. Tenant and concessionaire activity corresponds to passenger numbers and is still lagging way behind 2019 activity levels.

Because the recovery still has a long way to go to get back to even 75% of the activity level we had in 2019, the Airport is recommending we continue the following suspension



of Minimum Annual Guarantee (MAG's) and continue to charge the listed concessionaires based upon their current gross sales (see recommendations below).

RECOMMENDED CITY COMMISSION ACTION:

Airport Staff recommends the following actions related to Minimum Annual Guarantee (MAG's).

1. Food and Beverage Concessionaire (Faber): Approve suspension of Minimum Annual Guarantee requirements until September 30, 2021.
2. Clear Channel Airports: Approve suspension of Minimum Annual Guarantee requirements until September 30, 2021.
3. Corner Café: Approve suspension of \$50 monthly minimum and apply only percentage of sales until September 30, 2021.
4. Reef Parking: Approve suspension of Minimum Annual Guarantee requirements until September 30, 2021.
5. Car Rental Concessions: Approve suspension of Minimum Annual Guarantee until September 30, 2021.

STAFF CONTACT INFORMATION:

Greg Haug | Airport Director, 355-1800 or ghaug@bismarcknd.gov