

## COVID-19 Impact to Airports and Use of CARES Act Funds

There are two CARES Act funding sources for Airports, each have distinct eligibility and use criteria. The following is an outline of Airports plan to utilize each funding source.

### CARES Act Funds for US Airports

Airport CARES Act funds are considered airport revenue and can be used for O&M expenses, qualified capital costs, and/or debt service. Use of the funds must be per FAA's Revenue Use Policy<sup>1</sup> and in support of the following Policy Goals<sup>2</sup>:

- **Keep** airports in reliable, safe operation to serve the aviation industry
- **Keep** airport and aviation workers employed
- **Keep** airport credit ratings stable

Proposed use of Airports CARES Act funds in FY 2021 (\$13 million):

- \$3.2 million for debt service
- \$2.0 million for utilities
- \$7.8 million for PERS
- No proposed use of Airport CARES Act funds in FY 2020

Note: FAT's passenger activity continues to improve, rising from a low of 6% of normal passenger counts on or about May 1 to over 25% of normal in early June. Airports is expecting a return to substantially normal activity levels by 1Q FY 2022. No federal assistance is necessary once FAT gets to a 70% of normal activity level, anticipated in spring 2021. Forecasting FAT's recovery is based on actual airline bookings, ongoing communications with incumbent and other airlines, planned expanded service and new destinations, airport-specific rating agency analysis', aviation industry economists, and the major airport and airline trade organizations, such as ACI, AAEA and A4A.

### CARES Act Funds for Municipalities

For qualified COVID-19 mitigation such as purchase of supplies, staffing costs and service contracts to specifically to address the pandemic and as further defined by City Finance Department.

- \$20,000 costs incurred to date, primarily for supplies and signage, reimbursement in process.
- Additional/unknown costs anticipated through December 2020.

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<sup>1</sup> 64 Federal Register 7696 (64 FR 7696), as amended by 79 Federal Register 66282 (79 FR 66282)

<sup>2</sup> USDOT/FAA Airports CARES Act, Public Law 116-136, May 2020