MEMORANDUM

TO: Airport Board
FROM: Patrick Dame, C.M., Executive Director
DATE: January 26, 2021
RE: Airport Express Shuttle Addendum #4

The agreement with Airport Express Shuttle, Inc. expired on June 30, 2020, and is in holdover status. The purpose of the attached Addendum #4 is as follows:

1. Extend the term to December 31, 2021; and
2. Waive six (6) months of annual MAG for 2020; and
3. Establish the 2021 MAG at 85% of 2020 Percent Fees as per contract.

The agreement sets the MAG at eighty-five percent (85%) of the previous year’s annual airport user fees. Due to the COVID-19 pandemic, with recovery anticipated to take a number of years, staff is recommending the waiver of half of 2020 MAG requirement (consistent with other concessionaires) and to establish a fair and reasonable financial requirement for 2021.

The shuttle is unique as it is the only current provider of these services in our area. However, the contract was entered January 1, 2010, and it is staff’s intent to rebid the concession in 2021.

<table>
<thead>
<tr>
<th>2020 MAG</th>
<th>2020 MAG Waiver</th>
<th>Final 2020 MAG</th>
<th>2020 Percentage Fees 5% of Revenue</th>
<th>Estimated 2021 MAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>$22,200.17</td>
<td>($11,100.09)</td>
<td>$11,100.09</td>
<td>$11,984.49</td>
<td>$10,186.81</td>
</tr>
</tbody>
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**STAFF RECOMMENDATION:** Staff recommends approval of Addendum #4 as presented for Airport Express Shuttle, Inc.
ADDENDUM #4

CONTRACT FOR CONCESSIONAIRE SHUTTLE SERVICES

The City of Rapid City by and through the Rapid City Regional Airport Board (Board) and Airport Express Shuttle, Inc. (Concessionaire) entered into a Contract for Shuttle Service on the 1st day of January, 2010, and amended the agreement on November 25, 2014, December 8, 2015, and November 8, 2016, (collectively referred to herein as the “Contract”).

WHEREAS, the Contract expired on June 30, 2020; and

WHEREAS, the Parties desire to extend the Contract; and

WHEREAS, the Contract contains a provision for a Minimum Annual Guarantee (MAG) based on eighty-five percent (85%) of the previous year’s annual Airport User Fees; and

WHEREAS, the COVID-19 pandemic has negatively impacted air travel and associated concession revenues; and

WHEREAS, the MAG requirement for 2020 is $22,200.17 and the Parties agree to a six month waiver of MAG for calendar year 2020; and

WHEREAS, the Parties agree to establish the 2021 MAG to eighty-five percent (85%) of the 2020 Percentage Fees paid to the Board.

NOW THEREFORE, be it agreed by the Parties as follows:

The Parties agree that the Contract dated January 1, 2010, remains in full force and effect, except as specifically modified by this Addendum. The Contract is amended to reflect that the term of the Contract shall expire on December 31, 2021.

The Parties agree that the total MAG due for calendar year 2020 is $11,100.09, or the Percent Fees of 5% of gross receipts, whichever is higher. The Parties further agree that the 2021 MAG will be set at eighty-five percent (85%) of total Percent Fees due for calendar year 2020. The Percent Fee of five percent (5%) of Concessionaire’s Gross Revenues is not waived and shall be due and payable as per the terms of the Contract.

IN WITNESS WHEREOF, the Parties execute this Addendum this 26th day of January, 2021.

RAPID CITY REGIONAL AIRPORT BOARD  AIRPORT EXPRESS SHUTTLE, INC.

______________________________  ________________________________
Darren Haar, Board President  Kevin Leui, President

ATTEST: ________________________________
Shawn Gab, Secretary