

**PORT OF WALLA WALLA – YEAR 2020  
COVID-19 PANDEMIC RENT AND FEES RELIEF POLICY**

**Background:**

The COVID-19 Pandemic has had a significant chilling effect on the economies of the United States, Washington State, and Walla Walla County. The United States Department of Health has declared a public health emergency. Washington State has implemented statewide closure of schools, restaurants and bars, banned gatherings of groups of people, and ordered that all people in Washington “stay home” unless they are pursuing an “essential” activity. Port of Walla Walla, Walla Walla County, City of Walla Walla, and the City of College Place have all declared public health emergencies. The Port of Walla Walla passed Resolution No. 2020-06 on March 19, 2020 Declaring an Emergency.

The Port of Walla Walla recognizes that the COVID-19 Pandemic has significantly impacted the lives of the people of Walla Walla County, our region, our state, and the world. In particular, it has caused some lines of business to scale back, while others have been forced to temporarily close. As a result, the Port has received some requests from tenants for rent relief.

Further, on April 4, 2020, the Federal Aviation Administration (FAA) published (1) informational guidance to Airport Sponsors considering COVID-19 Restriction or Accommodations during this public health emergency, and (2) considerations for State, Local and Territorial COVID-19 Restrictions That Impact Air Transportation.

Given the economic hardship caused by the COVID-19 Pandemic and tenant inquiries about rent relief, Port staff have developed this COVID-19 Pandemic Rent and Fee Relief Policy, which would provide the following relief, among other forms of relief that may be set forth herein:

- Up to **four (4) months (March, April, May and June)** of deferred rent to be paid back within a **12-month period.**
- **No** accrual of late fees or finance charges during the deferred rent period.
- Deferral applicable to real estate tenants and business customers who are undergoing financial hardship due to the COVID-19 pandemic; airport tenants are also eligible with restrictions on airlines in accordance with federal rules, regulations, and guidance.
- To be eligible, tenants must submit a written request proving financial hardship (as a result of the COVID-19 Pandemic) to the satisfaction of the Port.
- Executive Director to approve deferments on a case by case basis and document the same through lease amendment or similar agreement modification.
- Policy to be reviewed to determine if there is a need to extend or restructure, subject to future Commission approval.

**Port of Walla Walla Mission:** Working to enhance the economic vitality of Walla Walla County. Founded in 1952, the Port of Walla Walla is a municipal corporation responsible for fostering economic development throughout Walla Walla County. We measure our success in terms of our ability to:

- Create and retain family-wage jobs
- Expand the region's tax base
- Maintain multi-modal transportation linkages

- Provide leadership in enhancing Walla Walla County's overall economic vitality and quality of life

In response to economic impacts caused by the COVID-19 Pandemic, the Port of Walla Walla is implementing the following Rent and Fees Relief Policy:

**Terms and Conditions:**

- Provide up to four (4) months deferred rent to tenants who are undergoing financial hardship as a result of the COVID-19 Pandemic.
- Deferred rent to be paid back within 12 months from the initial deferral date. (Beginning July 1, 2020)
- The deferred rent period cannot be longer than the remaining term of the lease or agreement.
- No late fees and/or finance charges to accrue during the deferred rent period.
- The deferral of rent only includes base rent; the following rent, taxes, and fees are **not** subject to this deferred policy:
  - Washington State leasehold excise tax,
  - Utility Bills
  - Other fees and assessments as determined by Port.
- Rent relief for businesses operating at the airport (Airport District) may be subject to other conditions and eligibility criteria based on federal rules, regulations, and guidance.
- Rent deferral shall not unduly harm the Port of Walla Walla.
- No Tenant shall have a right to any rent relief unless such relief is approved in writing by the Executive Director pursuant to this policy.
- All approvals for rent deferral shall be subject to the terms and conditions of this policy and any other conditions included in the approval deemed necessary by the Executive Director to implement this policy.

**Applicability/Eligibility:**

- Deferred Rent will be considered for any Port of Walla Walla/Walla Walla Walla Regional Airport real estate tenant customer that is undergoing financial hardship as a result of the COVID-19 Pandemic.
- Airport related accommodation and relief for Airport District businesses that are eligible, except requests from airline companies will only be considered on a case by case basis and in accordance with federal rules, regulations and guidance, subject to the approval of the Executive Director.
- Tenants accounts in good standing prior to COVID-19 Impacts. (Payments history in 2019 will be basis for determination.)
- Only requests made between the effective date of this policy through July 1, 2020 may be considered, unless this Policy is extended by the Port Commission, by subsequent action.

### **Procedures/Implementation:**

- A tenant **must** provide a written request to the Port of Walla Walla describing the impacts of the COVID-19 Pandemic and the reason deferred rent is needed, along with a description of the actions or plans being taken or made to address such impacts beyond requesting deferred rent.
- A tenant may also be requested to provide:
  - Copy of current and active insurance policies
  - Copy of recent or current B&O Tax filing information showing a substantial decrease in revenues, or other evidence acceptable by Port showing proof of hardship.
- A tenant may be asked to provide additional information on a case by case basis, including but not limited to, details regarding the impact of COVID-19 on business, impact detail and financial information.
- Port staff may require additional information from the Tenant that the Port staff determines to be necessary to assess the request under this policy. Refusal to provide the requested information may be a reason or basis for denial of the request.
- Port staff will review for eligibility/applicability and determine fiscal impacts to the Port and report request to the Economic Development Director or the Airport Manager.
- The Economic Development Director or the Airport Manager will review the request and make a written recommendation to Executive Director for approval that shall include the request from the Tenant, with a copy recommendation delivered to the Auditor/Treasurer. The recommendation shall include a review of the fiscal impact of the proposed request.
- Executive Director is authorized to approve deferments pursuant to this Policy, on a case by case basis.
- Approval of Deferred Rent shall be documented in a Modification of Agreement, Deferral Agreement or other approval signed by the Executive Director and shall operate as an amendment to the underlying lease or other underlying agreement.
- The Executive Director shall advise the Port Commission when action is taken to approve or deny a requested deferral agreement(s) pursuant to this Policy, including the amount of rent and other fees or charges deferred, or if the request was denied including the reason for the denial. In addition, the report shall include a summary of the fiscal impact on Port of the approved deferral.
- The Executive Director may adopt additional rules and procedures to effectively implement this Policy.

### **Policy Review:**

- The rent and fee deferral program can work as a financial bridge to ensure that the airport can maintain essential operations while supporting local businesses.
- The Policy will be in effect until July 1, 2020, unless terminated sooner or extended by the Port Commission prior to that date.

Approved by Port Commission on Thursday, April 9, 2020.