

SMALL COMMUNITY AIR SERVICE DEVELOPMENT GRANT REIMBURSEMENT MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF LA CROSSE AND THE LA CROSSE AREA DEVELOPMENT CORPORATION

This Memorandum of Understanding (“MOU”) is made and entered into effective as of April 1, 2019, by and between City of La Crosse, a Wisconsin municipal corporation (the “Airport”), and La Crosse Area Development Corporation, a Wisconsin nonstock company (“LADCO”).

RECITAL

WHEREAS, the Airport and LADCO desire to enter this MOU, whereby the portion of the funds designated for the local matching of a Small Community Air Service Development Grant (“SCASD Grant”) being held in escrow by LADCO are disbursed in a timely manner to continue the air service contemplated under the SCASD Grant.

BACKGROUND

The Airport received an SCASD Grant in the amount of \$750,000 to add non-stop air service to Detroit, which requires local matching funds of \$260,500, for a total revenue guarantee of \$1,010,500. LADCO worked closely with the local business community to raise and collect a portion of the required local matching funds for the SCASD Grant.

To fulfill the local matching funds requirement under the SCASD Grant, LADCO raised and pledged \$60,500 from 17 businesses and governmental organizations (the “LADCO Airport Funds”), the City of La Crosse pledged \$90,000 of La Crosse County contribution funds, the Airport pledged \$100,000 in marketing funds, and the La Crosse Area Planning Committee pledged \$10,000, for a total of \$260,500 in local matching funds (collectively, the “Total Matching Funds”). LADCO is holding the LADCO Airport Funds plus any interest earned thereon in escrow for the benefit of the Airport for the Airport’s obligations under the SCASD Grant.

The Airport, as part of its obligations under the SCASD Grant, may be invoiced by SkyWest Airlines for any obligations due under said SCASD Grant on a quarterly basis commencing in 2019, and continuing for a period of up to two years, for the new non-stop air service to Detroit. Any sums paid to SkyWest Airlines to fulfill SCASD Grant obligations will initially be paid in full by the Airport and a reimbursement request will be submitted by the Airport to the U.S. Department of Transportation for reimbursement of 74.22% of the billed amount up to a total of \$750,000. The remaining 25.78% of SCASD Grant payments made to SkyWest, up to a maximum amount of \$260,500, will be paid from the Total Matching Funds.

OBLIGATIONS

The LADCO Airport Funds shall be paid on a pro-rated basis to the Airport by LADCO upon written request of the Airport to LADCO for reimbursement of amounts paid by the Airport pursuant to the SCASD Grant.

LADCO will make such payments, up to the maximum amount of the LADCO Airport Funds of \$60,500, to the Airport within thirty (30) days of such reimbursement request and, upon payment of the LADCO Airport Funds to the Airport in full, LADCO shall have no further liability or obligation to the Airport under the SCASD Grant.

TERM

The agreements made under this MOU shall remain in place until the earlier to occur of: (i) all LADCO Airport Funds are disbursed; (ii) SkyWest Airlines terminates its Detroit air service agreement with the Airport; or (iii) the SCASD Grant is terminated. Upon the occurrence of such event, LADCO shall have no further liability or obligation to the Airport under the SCASD Grant or this MOU.

UNDERSTANDING

It is mutually agreed upon and understood by and among the parties to this MOU that:

- a) The Airport shall manage the SCASD Grant and financial disbursements to SkyWest Airlines.
- b) The Airport shall manage all paperwork and obligations associated with managing the SCASD Grant.
- c) The Airport shall manage all contractual relations with SkyWest Airlines.
- d) LADCO shall provide prompt reimbursement to the Airport as set forth in this MOU.
- e) LADCO and the Airport will work together in a coordinated fashion to fulfill the intent of this MOU.

This MOU shall be binding on the parties hereto and their respective successors and assigns and may be executed in any number of counterparts, and all such counterparts shall, together, constitute one instrument. Facsimile, email and other electronic signatures on this MOU shall be deemed to constitute original signatures.

SIGNATORIES

IN WITNESS WHEREOF, the parties hereto affix their duly authorized signatures as of the date first set forth above in this MOU.

CITY OF LA CROSSE
LA CROSSE REGIONAL AIRPORT

LA CROSSE AREA DEVELOPMENT CORPORATION

By: _____

By: _____

Name: _____

Name: Jorge Beltran

Its: _____

Its: Executive Director