

RESOLUTION NO. 47-26

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN AN AGREEMENT WITH THE GRAND JUNCTION REGIONAL AIR ALLIANCE, INC. REGARDING THE ALLOCATION AND USE OF THE 2018 VOTER-APPROVED INCREASED LODGERS TAX

RECITALS:

In November 2018, City voters adopted an additional three percent (3%) lodgers tax increase to promote and market travel and tourism-related activities in the Grand Junction area. Those activities include destination marketing, additional direct airline service, and sporting events and activities.

By and with Resolution 45-18, the City Council committed to annually consider and allocate, until modified by action of the Council, one percent (1%) of the lodging tax increase to the Grand Junction Regional Air Service Alliance ("Air Alliance"), 0.75% to the Greater Grand Junction Sports Commission, and the remaining 1.25% to Visit Grand Junction. The City Council may amend the allocations so long as the revenue derived from the lodging tax increase is used solely for the purpose of promoting and marketing travel, tourism, and tourism-related activities, as determined by the Council.

Beginning on January 1, 2019, the City began to collect, budget, and expend the revenue generated from the lodgers tax increase to fund promotions and marketing for travel and tourism-related activities consistent with Measure 2A and Resolution 45-18.

The City and the Grand Junction Regional Air Service Alliance previously entered into a Memorandum of Understanding regarding the use of allocated lodging tax revenues. Following expiration of that Memorandum of Understanding, the City Council approved multiple extensions to allow the Parties additional time to negotiate a successor agreement concerning operational practices, reporting expectations, and the use of lodging tax revenues.

City staff and representatives of the Air Alliance have successfully negotiated a new agreement that provides greater clarity regarding operational practices and relationships to ensure that the revenue derived from the lodgers tax increase is collected, retained, allocated, and spent in a manner consistent with Measure 2A and Resolution 45-18, as amended.

The City Council finds that approval of the Agreement serves the public interest and furthers the purposes approved by the voters through Measure 2A.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION:

The Recitals are incorporated herein by this reference.

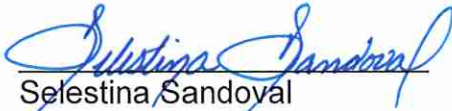
The City Council hereby approves the Agreement between the City of Grand Junction and the Grand Junction Regional Air Alliance, Inc., concerning the allocation and use of revenues derived from the 2018 voter-approved three percent (3%) lodgers tax increase.

The City Manager is authorized to execute the Agreement in substantially the form presented to the City Council, together with such minor revisions, amendments, clarifications, or modifications as the City Manager and City Attorney deem necessary or appropriate consistent with the intent of this Resolution.

PASSED and ADOPTED this 20th day of May 2026.



Laurel Eutz
President of the City Council



Selestina Sandoval
City Clerk



**CITY OF GRAND JUNCTION AND GRAND JUNCTION
REGIONAL AIR ALLIANCE, INC. LODGING TAX
REVENUE AGREEMENT**

THIS AGREEMENT is made and entered into as of the ____ day of ____ 2026 ("Effective Date"), by and between the City of Grand Junction ("City"), a Colorado home rule municipality, and the Grand Junction Regional Air Service Alliance, Inc. ("Air GJ"), a Colorado nonprofit corporation authorized to do business in Colorado (collectively, the "Parties," or individually, a "Party").

RECITALS:

Air GJ is organized to promote direct airline routes and service to Grand Junction Regional Airport.

The Grand Junction City Council ("Council"), as the governing body of the City may from time-to-time budget and/or allocate funds from lodging tax revenues to support the mission and purpose of Air GJ, to the extent those coincide with the authorized purposes of the lodging tax and the broader mission of the City.

Air GJ as a Party to this Agreement acknowledges and agrees that the lodging tax is a special tax assessed by the City against lodging within the City, and that the purposes for which the lodging tax is authorized by the electorate are limited to the following: *Marketing for travel and tourism-related activities including but not limited to marketing, travel and tourism-related activities that support destination marketing of the Grand Junction Area, marketing, supporting and /or arranging for additional direct airline service to Grand Junction.*

In November 2018, City voters adopted an additional three percent lodging tax to promote and market travel and tourism-related activities to the Grand Junction area or as otherwise decided by the City Council. Those activities include destination marketing, additional direct airline service, and sporting activities and events. Resolution No. 45-18 ("Resolution") authorized the City to annually allocate 1.0% of the lodging tax increase to the Air Service Alliance and 0.75% to the Sports Commission. The remaining 1.25% of the lodging tax increase would be allocated to Visit GJ. Changes in annual allocations are subject to formal consideration by the City Council. This Agreement outlines the City and Air GJ's understanding of how the 2018 approved lodging tax funds ("Funds") will be used to promote travel and tourism to and from the Grand Junction area.

The purpose of this Agreement is to establish how Funds will be used, and to

describe the relative areas of activity with respect to marketing and promotion using the Funds, to ensure that the same are expended for the purposes for which the tax is levied by law.

NOW, THEREFORE, in consideration of the foregoing and mutual covenants herein contained, the Air GJ Party agrees as follows:

1.0. Definitions.

1.1 The Grand Junction Area as used in this Agreement means and refers to Mesa County, Colorado.

1.2 Grand Junction Regional Airport or Airport as used in this Agreement means and refers to the public airport operated and maintained by the Grand Junction Regional Airport Authority.

1.3 Cooperative Marketing Funds or Funds as referenced in this Agreement shall mean any and all funds allocated to Air GJ by the Grand Junction City Council from the City's lodging tax revenues.

1.4 Cooperative Marketing Activities shall mean any and all activities undertaken with or using Cooperative Marketing Funds.

2.0 Term. The term of this agreement shall commence on signing ("Effective Date") by the Parties which is _____, 2026 and remain in full force and effect, subject to annual appropriation of Cooperative Marketing Funds by the City Council, for five (5) years from the date of execution, and thereafter on an annual basis until terminated by either party pursuant to section 9.0 of this Agreement (Term). Failure of City Council to appropriate Cooperative Marketing Funds to Air GJ shall result in a termination of this Agreement.

3.0 Cooperative Marketing Funds.

3.0.1 Record Keeping and Reporting. Air GJ shall maintain a detailed accounting of its use and/or expenditure of all Cooperative Marketing Funds and shall provide to the City monthly and quarterly updates, as well as an annual report of its commitments and expenditures to ensure that lodging tax funds are expended only for authorized purposes. Should the City Council deem the performance metrics provided in those update(s) and/or annual report(s) to be incomplete or inadequate, in the sole discretion of the City, funding may be rescinded and reallocated. The annual report shall include but not be limited to the prior year's expenditures of Cooperative Marketing Funds, Cooperative Marketing Activities, and results including, as relevant, estimates of the local economic impact(s) of those

activities. Should the City Council deem the performance metrics described in the updates and/or annual report(s) to be inadequate, funding may be rescinded or reallocated as determined by the City Council to be consistent with authorized purposes. The data requested/to be provided is represented herein with actual implementation to occur through a secure platform. The Parties must mutually agree in writing upon any adjustment(s) or modification(s) to the requested data points.

<https://visitgj.com/airport-data>

3.0.2 Air GJ agrees to use Cooperative Marketing Funds to fund promotion and marketing for travel and tourism-related activities such as and including, but not limited to: marketing, supporting, and/or arranging for additional direct airline service to and from Grand Junction. Activities which are agreed to be consistent with this purpose may include but are not necessarily limited to the following:

- (i) direct flight subsidy, which does not include flights that only stop in Grand Junction temporarily and to which Grand Junction is not a destination for any passenger ("Thru Flights"); and,
- (ii) marketing the Grand Junction area as a destination by placement of advertising in origin markets that represent an airline(s) serving the Airport with direct flights, not to include Thru Flights; no other airports shall be marketed or directly benefited from the use of Cooperative Marketing Funds.

3.0.3 Air GJ covenants and agrees that it will not use Cooperative Marketing Funds for any other purpose, or for any indirect purpose such as construction, installation or maintenance of facilities, buildings or infrastructure; security for any debt or encumbrance; to repay or satisfy any debt of Air GJ or any other party; to acquire assets.

4.0 Unauthorized or Illegal Expenditures. Any Cooperative Marketing Funds expended for a purpose not allowed by law and/or by this Agreement shall be repaid to the City. In general, to administer this requirement, the City will review reports provided by Air GJ and will notify Air GJ in writing if the City has reason to believe funds were expended/are being expended for an unauthorized purpose. Within 10 days of such notice, Air GJ will respond to the notice and with that response, Air GJ will either justify the expenditure(s) or repay the funds. The City's failure to identify any improper expenditure does not release Air GJ from the

requirement that it repay the City for any unauthorized expenditure(s) of the Cooperative Marketing Funds or for expenditure(s) made by Air GJ in breach of any covenant, term or condition of this Agreement, including illegal, unlawful, and/or unauthorized expenditure(s) including for a period of three years after the expiration of any Term.

5.0 Cooperative Marketing Plans. Air GJ will no less than annually provide the City with a summary of its annual marketing plan prior to engaging in Cooperative Marketing Activities. The Cooperative Marketing Plan shall include an overview of the media advertising to be used and other Cooperative Marketing Activities, with a cost breakdown by media type and type of activity. Air GJ shall meet or exceed standards of advertising in accordance with general industry practice. Air GJ shall have creative control over marketing and advertising content it undertakes; however, where a logo, trademark or service mark of another Party is proposed to be used in marketing materials, Air GJ shall obtain prior written approval for the use of the mark prior to publication or placement of the marketing or advertisement. In the event Air GJ changes their marketing plan outside of their annual summary, Air GJ shall provide the City with the changes to the marketing plan. The City agrees to share the City's marketing efforts, trends, and data to the extent that information does not contain a privacy interest for the City or is considered Confidential pursuant to the terms of this Agreement or under any applicable law.

6.0 Air GJ Contact(s). Air GJ designates the Executive Director and President of the Grand Junction Economic Partnership and the President/CEO of the Grand Junction Area Chamber of Commerce to be co-coordinators to act as the point of contact and communication with the City for the purposes of this Agreement. The co-coordinators are responsible for keeping records and submitting reports required by this Agreement, as well as being the point of contact for all issues and matters relating to the administration of this Agreement and of the duties, obligations and responsibilities hereunder. Notices shall be sent to the attention of the Co-marketing Coordinators as set forth below:

_____	_____
_____	_____
_____	_____

Any changes to the Air GJ representatives and/or addresses must be promptly provided to the City in writing.

7.0 City Contact. The City designates the City Manager to act as the point of contact and communication with the City for the purposes of this Agreement.

Michael P. Bennett, City Manager
250 N. 5th Street
Grand Junction, CO 81501
(970)244-1501
michael.bennett@gjcity.org

Any changes to the City representative and/or address must be promptly provided to Air GJ in writing.

8.0 Cooperative Marketing Activities. Air GJ by and through the Co-Marketing Coordinators is responsible for the activities and costs of, or relating to, marketing and advertising activities. For example, marketing of airline services, destinations, or direct flights to and from the Grand Junction Regional Airport are the responsibility of Air GJ and shall be done at its cost at the direction of the Air GJ Board and implemented through the Co-Marketing Coordinators. Marketing Activities, including strategy, undertaken by Air GJ for its purposes, shall be at Air GJ's sole expense. Air GJ agrees to advertise destination and/or event locales to the Grand Junction Regional Airport and Grand Junction Area as defined herein. No other destination may be included in the advertising without prior written approval of the City.

8.0.1 Unless otherwise agreed in writing by the Parties, each Party will be responsible for the costs and expenses incurred by it in connection with the obligations arising out of or under this Agreement and/or with any Cooperative Marketing Activity and no Party shall be liable or obligated to the other Party for such costs and/or expenses. Likewise, each Party shall be responsible for any contractual obligations it undertakes in furtherance of Cooperative Marketing Activities and shall not obligate or purport to obligate any other Party with respect to its Cooperative Marketing Activities.

9.0 Breach and Termination. The failure of any Party to comply with any material provision(s) of this Agreement shall be considered a breach thereof and shall be cause for termination of the Agreement upon written notice to the defaulting Party. In the event any Party determines, in its sole discretion, that it would be in its best interest to terminate the Agreement, the Party may do so without cause and without penalty or expense upon sixty (60) day written notice to the other Party. Upon termination of this Agreement for any reason, Air GJ shall return all Cooperative Marketing Funds in its possession, less any amount reasonably needed to perform its existing contractual obligations to third parties in connection with Cooperative Marketing Activities. Termination of the Agreement may, in the sole discretion of the City Council, result in

termination of the allocation of Cooperative Marketing Funds to Air GJ.

10.0 Inspection of Records. The Party shall, upon request, and subject to terms of a non-disclosure agreement if applicable, permit the City Manager and his designee(s) to examine contracts and/or audit all records and documents related to Cooperative Marketing Funds, Cooperative Marketing Activities, or to any other matter relating to this Agreement. Air GJ shall maintain all such records and documents for at least three years following termination of the Agreement.

11.0 Open Records. Air GJ acknowledges and agrees that the City is a public entity and as such is subject to the Colorado Open Records Act ("CORA"). Documents provided to the City are or may be subject to inspection by members of the public under CORA. If Air GJ supplies any documents to the City which it believes is confidential, Air GJ shall mark them with the conspicuous term "Confidential GJASA Document." Should the City receive a CORA request to which a document marked "Confidential GJASA Document" is responsive, the City agrees to notify Air GJ promptly upon receipt of that request to inspect any such documents. Air GJ acknowledges and understands that there are time limits to produce records under CORA, and therefore, shall promptly respond to any notification made by the City to Air GJ under this provision. The City shall work in good faith with Air GJ to determine if the document must be released pursuant to CORA and any exceptions which may be applicable. The City reserves the right to release any records to which, in the City's judgment, is necessary to comply with CORA or any applicable law or court order. Should the City determine that a document must be released under CORA, it shall be the responsibility of Air GJ to seek any judicial intervention to protect its interests.

11.0.1 Confidentiality. The City and Air GJ understand and agree that confidentiality is the preservation of privileged information and that each party will demonstrate care, prudence and judgment in handling confidential information related to the Air GJ to avoid unauthorized or improper disclosure(s) of confidential information. Notwithstanding the foregoing the Air GJ understands and agrees that the City may discuss certain Air GJ policy(ies), action(s), decision(s) with the City Council, so long as the confidential or proprietary information ("Confidential Information") is afforded the same care and protection that the City affords to its own confidential and proprietary information (which shall be not less than reasonable care) to avoid disclosure to or unauthorized use by any third party, except as may be ordered by a court and/or State or Federal agency of competent jurisdiction. All Confidential Information shall remain the property of the Air GJ. Any discussion of Confidential Information with City Council shall be only with the protection of an executive session as allowed by Colorado law. Air GJ agrees to notify the City as to which information is considered confidential for the purposes of this provision.

12.0 No Action on Behalf of Another Party. Neither Party shall make any express

or implied agreement(s), guaranty(ies) or representation(s), or incur any debt(s), in name of or on behalf of the other Party. No Party shall be obligated by or have any liability under any agreement or representation made by any other Party unless that other Party is a signatory to that agreement or has expressly consented to or joined in the representation. Nothing in this Agreement shall be construed as a general consent in that regard.

13.0 Liability. Each Party shall be responsible for and shall bear the risk of loss arising from its own acts and omissions in connection with this Agreement; however, each Party waives and releases any and all claims against the other Party, and the other Party's officers, officials, employees, agents, and contractors, for damages, losses, or liabilities arising from the other Party's ordinary negligence in performing or failing to perform under this Agreement. This waiver does not apply to damages, losses, or liabilities caused by a Party's gross negligence or willful and wanton conduct (including intentional misconduct). In no event shall either Party be liable to the other for indirect, special, incidental, consequential, exemplary, or punitive damages, including lost profits or lost revenues, arising out of or relating to this Agreement, regardless of the theory of liability. Nothing in this Agreement shall be construed as a waiver of any immunities, defenses, or limitations available to the City or its officials and employees under the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, et seq., or other applicable law.

13.0.1 The City shall not by virtue of this Agreement or any agreement, contract or relationship arising or claimed to arise out of the Agreement, have any liability for any sales, service, value added, use, excise, gross receipts, property, workers' compensation, unemployment compensation, withholding or other taxes, whether levied upon Air GJ's assets, or upon the City in connection with services performed or business conducted by Air GJ. Payment of any and all such obligations shall be the sole responsibility of Air GJ.

14.0 Indemnity. Air GJ agrees to indemnify, pay the cost of defense, including attorney's fees, and hold harmless the City of Grand Junction and its officers, employees and agents ("Indemnified Parties") from all damages, suits, actions or claims, including reasonable attorney's fees incurred by the Indemnified Parties, of any character brought on account of any injuries or damages received or sustained by any person, persons, or property, that relate to or arise from any act or omission, neglect or misconduct of the Indemnifying Party(ies); or by, or on account of, any claim or amount recovered under the Workers' Compensation Law or of any other laws, regulations, ordinance, order or decree; or arising from or by reason of any actual or claimed trademark, patent or copyright infringement or litigation based thereon; except for such damages, suits, actions, or claims that arise from the sole negligence of any Indemnified Party.

15.0 Subject to Annual Appropriation. This Agreement is contingent upon appropriation of funds by the Grand Junction City Council. Nothing in this Agreement shall be construed to require the City Council to appropriate funds in any given year or Term of this Agreement. In any period where no funds are appropriated by the City Council, this Agreement shall have no effect with respect to the Party or Parties to whom no funds are allocated.

16.0 Relationship of Parties. This Agreement shall not create an agency, partnership, joint venture, or any other form of legal association, and no Party may represent itself as an agent, partner, or joint venturer of the other or otherwise incur any obligation or liability on behalf of any other Party. Neither party may resell, quote prices or fees, or otherwise negotiate business terms for the other party's products or services unless otherwise agreed to in a prior written agreement between the Parties. Nothing in this Agreement will be construed or be claimed or be implied to create any relationship between the City and any contractor, subcontractor or supplier of Air GJ, and at all times Air GJ is not and shall remain not an agent of the City.

17.0 Compliance with Law. Each Party shall comply with all applicable federal, state and local laws, rules, regulations and guidelines, relative to performance under this Agreement.

18.0 Entity Status. During the Term, or any renewal Term, of this Agreement, Air GJ shall remain in good standing as an entity formed under the laws of the State of Colorado.

19.0 No Assignment. Air GJ shall not assign this Agreement or any part hereof in any manner whatsoever or any of the privileges or obligations set forth herein without the prior written consent of the City in its sole discretion.

20.0 No Third-party Beneficiary. Nothing in this Agreement shall be construed or be claimed to benefit any person or entity not a Party to this Agreement.

21.0 Nondiscrimination. In carrying out this Agreement, the Party shall not exclude from participation in, deny benefits to, or otherwise discriminate against, any person because of race, color, religion, sex, gender, gender identification, national origin, family status or handicap.

22.0 Entire Agreement. This Agreement constitutes the entire Agreement between the Parties and supersedes any and all prior agreements, communications, or representations, whether oral or written, with respect thereto. No alteration, change, modification, amendment, or waiver to or of this Agreement shall be valid or binding, or claimed to be, unless in writing and signed by the City.

23.0 Survival of Provisions. The provisions of sections 12, 13, 14, 17, 19, and 20 shall survive the termination of this Agreement. This Agreement shall be construed, interpreted, and governed by the laws of the City of Grand Junction and the State of Colorado. Venue for any action arising from or related to this Agreement shall be, and such claim(s) brought, in Mesa County, Colorado.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first above written.

GRAND JUNCTION REGIONAL AIR SERVICE ALLIANCE, INC.

by:

CITY OF GRAND JUNCTION

by: