

COUNTY OF ROCK
Public Works
Department
Airport Division
Telephone: 608-757-5768



Southern Wisconsin
Regional Airport
4004 S. Oakhill Avenue
Janesville, WI 53546
Fax : 608-758-3060

AGENDA
Public Works Committee Meeting
Tuesday, February 28, 2012 at 8:30 a.m.

Southern Wisconsin Regional Airport Terminal Building Suite 120
1716 W. Airport Rd.
Janesville, WI 53546

1. Call to Order at 8:30 a.m.
2. Approval of Agenda
3. Approval of Minutes January 24, 2012.
4. Vouchers/Bills/Encumbrances/Pre-Approved Encumbrance Amendments
5. Citizen Participation, Communications, and Announcements
6. Public Hearing on Airport Improvements (8:35 a.m.)

AIRPORT BUSINESS

7. **Action Items**
 - a. Consider Resolution Petitioning the Secretary of Transportation for Airport Improvement Aid
 - b. Consider Resolution Agency Agreement and Federal Block Grant Owner Assurances
 - c. Consider Request from Glen Erin Golf Club to Change Lease Payment Structure
8. **Information Items**
 - a. Memo from Earl Arrowood, Chief, Janesville Air Traffic Control Tower
 - b. Update on Revised Minimum Standards
 - c. Update on Terminal Project
 - d. Airport Accounts Receivables
9. Next Meeting Date
10. Adjournment

45 referred to as the Secretary) to be held in trust for the purposes of the project; any unneeded and
46 unspent balance after the project is completed is to be returned to the Sponsor by the Secretary; the
47 Sponsor will make available any additional monies that may be found necessary, upon request of the
48 Secretary, to complete the project as described above; the Secretary shall have the right to suspend or
49 discontinue the project at any time additional monies are found to be necessary by the Secretary, and
50 the Sponsor does not provide the same; and

51

52 WHEREAS, the Sponsor is required by law (sec. 114.32(5), Wis. Stats.) to designate the Secretary
53 as its agent to accept, receive, receipt for and disburse any funds granted by the United States under the
54 Federal Airport and Airway Improvement Act, and is authorized by law to designate the Secretary as its
55 agent for other purposes.

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57 **“DESIGNATION OF SECRETARY OF TRANSPORTATION AS SPONSOR’S AGENT”**

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59 THEREFORE, BE IT RESOLVED, by the Sponsor that the Secretary is hereby designated as its
60 agent and is requested to agree to act as such in matters relating to the airport development project
61 described above, and is hereby authorized as its agent to make all arrangements for the development
62 and final acceptance of the completed project whether by contract, agreement, force account or
63 otherwise; and particularly, to accept, receive, receipt for and disburse federal monies or other monies,
64 either public or private, for the acquisition, construction, improvement, maintenance and operation of
65 the airport; and, to acquire property or interest in property by purchase, gift, lease, or eminent domain
66 under Chapter 32 of the Wisconsin Statutes; and, to supervise the work of any engineer, appraiser,
67 negotiator, contractor or other person employed by the Secretary; and, to execute any assurances or
68 other documents required or requested by any agency of the federal government and to comply with all
69 federal and state laws, rules, and regulations relating to airport development projects.

70

71 FURTHER, the Sponsor requests that the Secretary provide, per Section 114.33(8)(a) of the Wis.
72 Stats., that the Sponsor may acquire the required land or interests in land that the Secretary shall find
73 necessary to complete the aforesaid project.

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75 **“AIRPORT OWNER ASSURANCES”**

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77 AND BE IT FURTHER RESOLVED that the Sponsor agrees to maintain and operate the airport in
78 accordance with certain conditions established in Chapter Trans 55, Wisconsin Administrative Code, or
79 in accordance with Sponsor assurances enumerated in a Federal Grant Agreement.

80

81 AND BE IT FURTHER RESOLVED THAT THE County Board Chair and County Clerk be
82 authorized to sign and execute the Agency Agreement and Federal Block Grant “Owner Assurances”
83 authorized by this Resolution.

84

85 **CERTIFICATION**

86

87 I, _____, Clerk of Rock County, Wisconsin, do hereby certify that the foregoing
88 is a correct copy of a Resolution introduced at a _____ meeting of the _____
89 on _____, 2012, adopted by a majority vote, and recorded in the minutes of said
90 meeting.

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Clerk

Petitioning the Secretary of Transportation for Airport Improvement Aid

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Respectfully submitted,

Public Works Committee

Kurtis L. Yankee, Chair

Betty Jo Bussie, Vice Chair

Eva Arnold

David Diestler

Brent Fox

FISCAL NOTE:

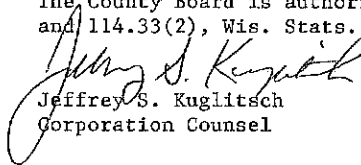
If any of the petitioned projects are granted, Rock County would be responsible for the local share, which could be 2½% to 20% of the project's cost, depending upon the type of Federal and/or State grant funding available for the project.



Sherry Oja
Finance Director

LEGAL NOTE:

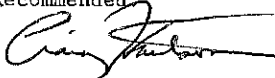
The County Board is authorized to take this action pursuant to secs. 59.02 and 114.33(2), Wis. Stats.



Jeffrey S. Kuglitsch
Corporation Counsel

ADMINISTRATIVE NOTE:

Recommended



Craig Knutson
County Administrator

Executive Summary
For
Resolution
Petitioning The Secretary Of Transportation
For Airport Improvement Aid

This Resolution petitions the State of Wisconsin and/or the Federal Government for the necessary improvements to meet the existing and future needs of the Southern Wisconsin Regional Airport.

This Resolution also outlines the state and federal requirements for applying to obtain funding assistance. This Resolution is important for the future planning and timely execution of development as it becomes necessary.

The Resolution does not require county funds to be available, however should a part or all of the projects become eligible, and state and or federal aid become available, a request would be brought to the county board through future airport capital improvement budgets to provide the sponsor share for each project.

If approved, this Resolution and the Airport Owner Assurances signed by the County Board Chair and County Clerk will be forwarded to the State of Wisconsin, Bureau of Aeronautics for their approval.

Respectfully Submitted,

Ronald D. Burdick
Airport Director

RESOLUTION

ROCK COUNTY BOARD OF SUPERVISORS

Public Works Committee
INITIATED BY



Ronald D. Burdick
DRAFTED BY

Public Works Committee
SUBMITTED BY

January 26, 2012
DATE DRAFTED

AGENCY AGREEMENT AND FEDERAL BLOCK GRANT OWNER ASSURANCES

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WHEREAS, Rock County, Wisconsin, hereinafter referred to as the Sponsor, desires to sponsor an airport development project to be constructed with federal aid and/or state aid, specifically, the Southern Wisconsin Regional Airport project to:

Crackseal, level and seal Runway 18/36 and Taxiway "C"; Purchase snow removal equipment; clear runway approaches; replace airfield lighting and signage with LED lights; repair cracks and seal coat Taxiway "D1"; land acquisition/reimbursement as property shown on Airport Layout Plan becomes available; reconstruct obliterated t-hangar apron areas; replace Precision Approach Path Indicators (PAPI's) on Runway 04, and any necessary related work.

WHEREAS, the Sponsor adopted a resolution on _____, 2012, a copy of which is attached and the prescribed terms and conditions of which are fully incorporated into this agreement, designating the Secretary as its agent and requesting the Secretary to act as such as set forth in the Resolution, and agreeing to maintain and operate the airport in accordance with certain conditions; and

AGENCY AGREEMENT

WHEREAS, upon such request, the Secretary is authorized by law to act as agent for the Sponsor until financial closing of this project;

NOW THEREFORE, the Sponsor and the Secretary do mutually agree that the Secretary shall act as the Sponsor's agent in the matter of the airport development as provided by law and as set forth in the referenced resolution; provided, however, that the Secretary is not required to provide legal services to the Sponsor.

Secretary of Transportation

David M. Greene, Director
Bureau of Aeronautics

Date: _____

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FEDERAL BLOCK GRANT OWNER ASSURANCES

WHEREAS, the Sponsor does agree to the conditions established in Trans 55, Wisconsin Administrative Code, and for projects receiving federal aid, to the attached Federal Sponsor Assurances which are a condition of a Federal Grant of Funds.

The Federal Block Grant Owner Assurances shall remain in full force and effect throughout the useful life of the facilities developed under this project, but in any event not to exceed twenty (20) years from the date of the Finding;

ACCEPTANCE:

The Sponsor does hereby accept the Agency agreement and the Federal Block Grant Owner Assurances.

**SPONSOR
Rock County, Wisconsin**

Name

Name

Title

Title

Date

Date

Respectfully submitted,

PUBLIC WORKS COMMITTEE

Kurtis L. Yankee, Chair

Betty Jo Bussie, Vice-Chair

Eva Arnold

David Diestler

Brent Fox

Agency Agreement and Federal block Grant Owner Assurances

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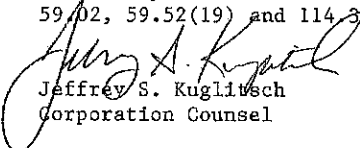
FISCAL NOTE:

If any of the petitioned projects are granted, Rock County would be responsible for the local share, which could be 2½% to 20% of the project's cost, depending upon the type of Federal and/or State grant funding available for the project.


Sherry Oja
Finance Director

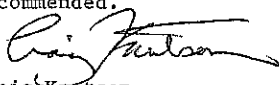
LEGAL NOTE:

The County Board is authorized to take this action pursuant to secs. 59.01, 59.02, 59.52(19) and 114.33(2), Wis. Stats.


Jeffrey S. Kuglitsch
Corporation Counsel

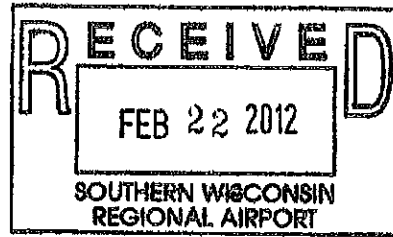
ADMINISTRATIVE NOTE:

Recommended.


Craig Knutson
County Administrator

February 22, 2012

Mr. Kurtis Yankee
Supervisor and Committee Chair
Southern Wisconsin Regional Airport
710 Club Lane
Beloit, Wisconsin 53511



Mr. Yankee,

The purpose of this correspondence is to be heard for the review and consideration of an amendment of the lease payment structure regarding Green Fairways, LLC dba Glen Erin Golf Club, a lessee of land from the Southern Wisconsin Regional Airport.

The current lease payment structure was drafted and agreed upon in 1999. Since that time, many variables have contributed to a major change in the small business climate in the area, especially with regards to the nature of the business Green Fairways, LLC dba Glen Erin Golf Club engages in. In addition, significant revenue data is now available since 2003 to analyze and adjust the lease payment structure accordingly to ensure a long term and prosperous relationship between The Southern Wisconsin Regional Airport and Glen Erin Golf Club.

Glen Erin Golf Club respectfully submits changes to the current lease structure. The following attachments outline the background of our business; justification of an amendment to our lease payment structure; as well as the changes to be considered. Any additional information requested will be provided, and I intend to expand on the request in person at the upcoming Public Works Airport Committee Meeting Tuesday, February 28th.

If I can be of any assistance between now and that time, please do not hesitate to contact me at any time.

Respectfully Submitted,

A handwritten signature in black ink, appearing to be "R. Vega".

Robert J. Vega
General Manager and Managing Partner
Glen Erin Golf Club
608-741-1100
rvega@gleneringolf.com

Glen Erin Golf Club

Request for Change in Lease Payment Structure

Background of the Business

Glen Erin Golf Club opened for business in June of 2003. At that time it was owned and managed by Rock Ridge Golf Course, LLC. Glen Erin had its first full year of revenue in 2004. In the spring of 2008, Green Fairways, LLC bought out Rock Ridge Golf Course and assumed the lease terms with the Southern Wisconsin Regional Airport. Since that time revenues have peaked and dipped slightly; peaked mostly due to favorable weather and dipped primarily due to a slowdown in the economy region-wide, especially in Rock County (See exhibit "A"). While the golfer pool and revenue in the area is fairly level, operating expenses continue to rise. Since 2007, petroleum based products used to manicure, fertilize and maintain the turf grass has increased 17% in price and fuel used to run equipment and golf carts have risen almost 45%. Other major expenses like insurance, utilities and food costs have also continued to rise significantly.

Justification of the Amendment of the Lease

There are many factors that support the amendment of the Land Lease between Glen Erin Golf Club and the Southern Wisconsin Regional Airport. Below is a brief description of the major justifications for an amendment which may be further discussed and approved on Tuesday, February 28th:

- Maintaining competitiveness in a difficult market.

Glen Erin Golf Club is in a position where it is necessary to maintain competitiveness in pricing, service and quality in order to keep it desirable to consumers. An ever increasing payment Schedule with unrealistic minimum annual payments will hinder the golf course's ability to offer this.

- Allow flexibility in different market conditions.

An amendment to the lease payment structure would allow Glen Erin to absorb certain downswings in revenue, economic or otherwise. A lease based strictly on revenue alleviates the burden of escalating payments without the revenue and cash flow to support the obligation to the Airport.

- Realize the potential of Glen Erin through revenue history.

There is now an eight year history of revenues at Glen Erin Golf Club. A careful analysis of this history shows the inability of the business to continue to honor the lease payments in the current form. For example, the minimum payment was essentially based on a five year factor increase of 21.6%, or a 4.3% increase every year. In order for Glen Erin to honor and be able to support this minimum, revenues would have to increase about 50% in the next eight years to honor the 2021 minimum payment figure, or approximately 6.5% year after year. This is unrealistic and unattainable in our current market climate.

- Allow Glen Erin the cash flow to continue to support the Airport.

The approach that Glen Erin pays on a percent of revenues monthly instead of a flat payment and an annual reconciliation will allow the golf course to manage cash flow much better. Currently we make 64% of our gross revenue between May 15th and September 10th, however we only pay roughly 31% of our obligation to the Airport during that time. It benefits both the golf course and the airport to change this payment scenario.

It is for these reasons that the following amendments are requested and would take effect immediately if approved:

- Payments will be made to the Airport based on a monthly percent of gross revenue. Revenue information will be released at the end of the month and the monthly amount due will be sent on the 15th of the following month.
- The Structure is based on a percent of gross revenue as well as an additional percent of year over year increase to be paid at the end of the year. The end of the year gross revenue figure will be compared to the prior year gross revenue figure. Glen Erin will then pay an additional percentage of that difference to the Southern Wisconsin Regional Airport. If revenues decline, no payment will be due.
- All other items in the current lease shall remain the same.

Attached you will find a payment schedule outlining the percentages and the year over year payments to the Airport.

2007 Through 2011 Round Comparison, Gross Revenue, Gross Margin and NOI						
	2011	2010	2009	2008	2007	
Public 18 Hole Rounds	9742	9807	9989	10479	10606	
Public 9 Hole Rounds	1879	1989	2341	2197	2082	
League Rounds	3178	3371	3013	2913	2655	
Outing Rounds	3569	3747	3348	3179	3108	
Employee & Comp. Rounds	1368	1490	1571	1234	1678	
Member Rounds	4390	4401	4456	4130	4023	
Pass Redemptions(2010 on)	1347	1211	n/a	n/a	n/a	
Total Rounds	25473	26016	24718	24132	24152	
Gross Revenue	\$951,376	\$1,042,894	\$959,235	\$1,028,957	\$1,048,448	
Annual Lease Payment	\$20,000	\$15,643	\$15,000	\$15,434	\$15,727	

Proposed Lease Payment Schedule Exhibit B

<u>Period</u>	<u>No. of Years</u>	<u>Percentage of Gross Revenue</u>	<u>Annual Minimum</u>
1999	1	None	\$3,000
2000	1	None	\$3,000
2001 through 2005	5	1.0%	\$10,000
2006 through 2010	5	1.5%	\$15,000
2011	1	2.0%	\$20,000 (2011)
<u>New Schedule</u>		<u>Percent of Gross Revenue (Paid Monthly)</u>	<u>Additional Percent Over Previous Year</u>
2012 through 2020	9	1.5%	2.0%
2021 through 2030	10	1.5%	2.0%
2031 through 2040	10	2.0%	2.0%
2041 through 2050	10	2.0%	2.0%
2051 through 2060	10*	2.0%	5.0%
2061 through 2070	10*	2.0%	5.0%
2071 through 2080	10*	2.0%	5.0%
2081 through 2090	<u>10*</u>	2.0%	5.0%
Total	92		

Basic Structure: 52 year lease with 4 – ten year options.

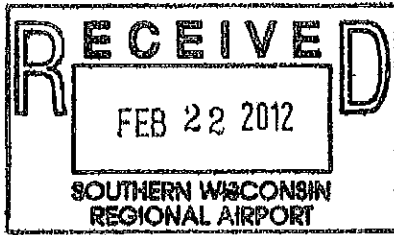
* 10 year option period

Current Lease Payment Schedule

<u>Period</u>	<u>No. of Years</u>	<u>Percentage of Gross Revenue</u>	<u>Annual Minimum</u>
1999	1	None	\$3,000
2000	1	None	\$3,000
2001 through 2005	5	1.0%	\$10,000
2006 through 2010	5	1.5%	\$15,000
2011 through 1015	5	2.0%	\$20,000 (2011)
2016 through 2020	5	2.0%	\$24,333 (2016)
2021 through 2025	5	2.0%	\$29,604 (2021)
2026 through 2030	5	2.0%	\$36,019 (2026)
2031 through 2035	5	2.0%	\$43,822 (2031)
2036 through 2040	5	2.0%	\$53,317 (2036)
2041 through 2045	5	2.0%	\$64,868 (2041)
2046 through 2050	5	2.0%	\$78,922 (2046)
2051 through 2060	10*	2.0%	\$96,020 (2051)
2061 through 2070	10*	2.0%	\$142,134 (2061)
2071 through 2080	10*	2.0%	\$209,754 (2071)
2081 through 2090	<u>10*</u>	2.0%	\$268,503 (2081)
Total	92		

Basic Structure: 52 year lease with 4 – ten year options.

* 10 year option period



Southern Wisconsin Regional Airport
FAA Contract Tower
3662 S. Oakhill Rd
Janesville, WI 53546
608-754-2611/608-436-3565

COPY

February 22, 2012

To: County of Rock, Public Works Committee
From: Southern WI Regional Airport FAA Contract Tower Manager
Subject: OMB Budgetary Cuts to the FAA Contract Tower Program

In recent months, there have been rumors concerning the closing of FAA Contract Towers (FCT's) which do not provide services to air carriers, and to military air forces which conduct at least 10,000 operations annually, by the Office of Management and Budget (OMB). Southern WI Regional Airport FAA Contract Tower (JVL) would be eliminated due to the fact that almost 100 percent of our annual reported operations come from general aviation and air-taxi aircraft. Because of this, Midwest Air Traffic Control Svc, Inc., the company which provides air traffic control services to JVL, requested that all 87 of their control tower managers contact their federal legislators by email or fax to voice the concerns of erosion to aviation safety if the OMB did in fact close the control towers in question.

The JVL Manager's letters to legislators included important facts about the Southern WI Regional Airport's airspace, operation totals, runway configuration, facts on businesses on the airport and support given to Life Guard / Medivac operations. Last year, the JVL FAA Contract Tower controlled over 52,000 operations. The complexity of the runway configuration with our airport's three runways, the close proximity of taxiways near our runways, local weather patterns and six instrument approaches increases the chance of mishaps, even with a control tower staff. The mix of traffic (jets, helicopters, single engine propeller, twin engine propeller, fast moving and slow moving aircraft) with the complexity mentioned above, occurring without air traffic control over-seeing the safety, would greatly increase the chance of an aviation mishap. It would not be a question of if; it would be a question of when.

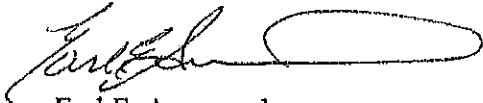
Immediately, all 87 Midwest Air Traffic Control FAA Contract Tower managers, along with some airport directors, lead corporate pilots and private pilots throughout the US sent letters to each of their legislators. According to Spencer Dickerson of the American Association of Airport Executives (AAAE), "we all made a lot of noise on Capitol Hill." AAAE is tirelessly reading through President Obama's Draft Budget and it looks like, so far, the FAA Contract Tower Program is not on the chopping block. However, there is a report that more budget details will be released later so further updates will be forthcoming.

Midwest Air Traffic Control Svc, Inc. feels that this is just the beginning of a yearly struggle which we will have to fight against. With hard economic times in the country, federal budgets will always be an issue. JVL has not had one operational error since 1997. Our safety track record is far beyond the norm. We are professionals, with the same exact credentials as our

FAA counter-parts. We provide a valuable service to the aviation citizens of Rock County and well beyond.

It is never too late to voice your concerns on this issue to our federal legislators. I ask that you consider contacting our representatives letting each of them know that it would be an ominous mistake to eliminate FAA Contract Towers now or anytime in the future.

Thank you,

A handwritten signature in black ink, appearing to read "Earl E. Arrowood", with a large, stylized flourish extending to the right.

Earl E. Arrowood
Midwest Air Traffic Control
JVL Air Traffic Manager
Southern WI Reg. Airport