

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

Please Note Location

AGENDA
Public Works Committee Meeting
Tuesday, June 28, 2011 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 May 24, 2011
4. Vouchers/Bills/Encumbrances/Pre-Approved Encumbrance Amendments
5. Citizen Participation, Communications, and Announcements

AIRPORT BUSINESS

6. **Action Items**

- a. Approve 30 Day Letter of Intent for Kealy's Kafe
- b. Approve 30 Day Letter of Intent for Alex Smith

7. **Information Items**

- a. 2011 Project Updates
 1. Update on Reconstruction/Remodel of Terminal Building
 2. Update on Reconstruction of Taxiway "A"
- b. Update on Harley Owner's Group State Convention in 2014 or 2015
- c. Airport Accounts Receivables

8. Next Meeting Date
9. Adjournment

**Rock County Department of Public Works
Airport Division – Issue Paper**

Issue – Termination of Restaurant Operator’s Lease Agreement Due to Non-Compliance of Terms

Discussion – The Southern Wisconsin Regional Airport Restaurant Operator’s Lease Agreement states:

It is agreed as follows:

(12.1) **LESSEE** shall pay for all utilities, including electric except as set forth in sec. (12.6), gas, telephone, sanitary/sewer and water service.

Furthermore, Paragraph 14 states:

(14) DEFAULT BY LESSEE

If default is made in payment of rent, at the times above stated, or if **LESSEE** shall break any of the agreements or provisions herein contained, or shall willfully or maliciously do injury to the premises, cease restaurant operations at the terminal or shall file a petition in bankruptcy or have any involuntary petition in bankruptcy filed against him/her, or make an assignment for benefits of credits, the **LESSOR** or its legal representatives shall have the right at any time thereafter, without notice, to declare this Lease void and the terms herein ended and may re-enter the premises and expel **LESSEE**, using such force as necessary without prejudice to any remedies which **LESSOR** may have, to collect arrears of rent.

(14.1) **LESSEE** agrees that at the termination of the within Lease, or any renewal thereof, he/she will quietly and promptly yield and surrender said premises to the **LESSOR** in as good condition of repair as when taken by **LESSEE**, reasonable wear and tear alone expected.

Mr. Kealy has been operating Kealy’s Kafe out of the Southern Wisconsin Regional Airport since 2008. On May 31, 2011 airport administration received notice from the City of Janesville, that Mr. Kealy has not paid his water utility bill and is past due in the amount of \$1,332.86. Mr. Kealy was then sent a letter that if payment were not made by June 16, 2011 this matter would be referred to the Public Works Committee for action. In addition, Mr. Kealy is currently one month behind on his lease rent obligation.

Recommendation – That a certified letter from the committee be sent to Mr. Kealy giving him 30-day notice of their intent to proceed under paragraph 14 of his lease agreement and declare this lease void.

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June 22, 2011

CERTIFIED

Mr. Matt Kealy
Kealy's Kafe
1716 W. Airport Rd.
Janesville, WI 53546

RE: Past Due Amounts

Dear Mr. Kealy:

Enclosed is a copy of an issue paper that was discussed at the Public Works Committee this morning. Please be advised that this letter will serve as your 30-day notice of the Public Works Committee's intent to proceed under Paragraph 14 of your lease agreement and terminate your lease agreement with the Southern Wisconsin Regional Airport. Payment to the City of Janesville in the amount of \$1,332.86 and payment for all amounts owed to the airport must be made on or before July 25th, 2011, or this matter will be on the July 26, 2011 Committee meeting for action. Please contact Mr. Ron Burdick at 608-757-5768 if you have any questions.

Sincerely,

Kurtis Yankee, Chair
Rock County Public Works Committee

Enclosure
KY/cjh

**Rock County Department of Public Works
Airport Division – Issue Paper**

Issue – Failure to Comply with Lease Agreement by Mr. Alex Smith

Discussion –

Article 3 of the Lease Agreement between Mr. Alex Smith and the Southern Wisconsin Regional Airport states:

Article 3 - Consideration

3.1 Consideration

Lessee agrees to pay to the COUNTY, the Sum of \$1,038.48 (One Thousand Thirty-eight Dollars and 48/100) per year for the use of the leased PREMISES, representing a rental charge of .1060 cents (2008 rates) per square foot for 9,797 (Nine Thousand Seven Hundred Ninety-seven) square feet of unimproved land. It is further agreed that annually during the month of December, rental rates shall be re-negotiated by the parties and will be based on the urban rate of inflation, not to exceed 4% annually. Said rates are to be equal to the rental rates for other buildings in its category and be effective January 1. Rental rates are subject to Public Works Committee approval.

Furthermore, Article 8 states:

Article 8 - Utilities

8.1 Payment

LESSEE shall pay for all utilities, including electric, gas, telephone, sanitary/sewer and water service. LESSOR may require all utility pipes, wires and conduits to be underground. LESSOR will provide access to sewer and water to the property line of leased premises.

Additionally, Article 30 provides the following:

Article 30 - Failure to Pay Rent or Observe Lease Terms

Failure on the part of LESSEE to pay any of the rent due and owing under the terms of this Lease or observe any of the other terms of this Lease shall be addressed as provided for under Wisconsin Statutes. In the event of any Lease termination, ownership of improvements will be as stated in Article 4, Section 4.6 and LESSEE shall have One Hundred Twenty (120) days to remove hangar complex and personal property and to restore site to original condition. Prior to termination of this lease as provided for under this Article, LESSEE shall have the right to appear before the Public Works Committee and the COUNTY BOARD as a part of the termination process.

Mr. Smith entered into a lease agreement with the airport on January 1, 2009. On June 1, 2011 airport administration received notice from the City of Janesville, that Mr. Smith has not paid his water utility bill and is past due in the amount of \$65.72. Mr. Smith was then sent a letter that if payment were not made by June 16, 2011 this matter would be referred to the Public Works Committee for action. In addition, Mr. Smith is currently behind on his lease rent obligation in the amount of \$141.26.

Recommendation – That a certified letter from the committee be sent to Mr. Smith giving him 30-day notice of their intent to proceed under Article 30 of his lease agreement and terminate his lease.

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June 28, 2011

CERTIFIED

Mr. Alex Smith
215 S. Century Ave. Apt 313
Waunakee, WI 53597

RE: Past Due Amounts

Dear Mr. Smith:

Enclosed is a copy of an issue paper that was discussed at the Public Works Committee this morning. Please be advised that this letter will serve as your 30-day notice of the Public Works Committee's intent to proceed under Article 30 of your lease agreement and terminate your lease agreement with the Southern Wisconsin Regional Airport. Payment to the City of Janesville in the amount of \$65.72 and payment for all amounts owed to the airport must be made on or before July 25th, 2011 or this matter will be on the July 26, 2011 Committee meeting for action. Please contact Mr. Ron Burdick at 608-757-5768 if you have any questions.

Sincerely,

Kurtis Yankee, Chair
Rock County Public Works Committee

Enclosure
KY/cjh