

**COUNTY OF MILWAUKEE**  
**INTEROFFICE COMMUNICATION**

DATE : March 22, 2011

TO : Supervisor Lee Holloway, Chairman, County Board of Supervisors

FROM : Pamela Bryant, Capital Finance Manager, Department of Administrative Services (DAS)

SUBJECT : 2011 University of Wisconsin- Milwaukee (UWM) Land Sale Funded Capital Projects-  
(Informational Report)

**Background**

The 2011 Adopted Capital Improvements Budget includes capital projects that were to be financed with \$5,000,000 of UWM land sale revenue. These projects include: Project WP174 Parks Major Maintenance, Project WP186 Parks Naturalization, Project WZ600 Zoo Master Plan, Project WO114 Countywide Infrastructure Improvements, Project WO205 Fiscal Automation Program, Project WO444 BHD/MCSO Electronic Medical Records System, Project WO514 War Memorial Window Replacement and Reseal, Project WO515 War Memorial Window Ledge Leak Repairs, and Project WO949 Inventory and Assessment of County Facilities.

In February 2011, a Real Property Purchase Agreement with UWM Innovation Park, LLC for County-owned land located in the Northeast Quadrant of the County Grounds was approved. The purchase price was \$13.55 million. The payments were amended from the schedule originally adopted in May 2009. Instead of the second \$5 million payment being received by Milwaukee County in February 2012 (available for fiscal year 2011), it will be received in February 2014 (available for fiscal year 2013).

**Issue**

The \$5 million of UWM land sale revenue included in the 2011 Adopted Capital Improvements Budget will not be available to finance the 2011 capital projects.

The Department of Administrative Services (DAS) worked with the Department of Transportation and Public Works (DTPW) to refine cost estimates and forecast the cash flow needed for work that will occur in 2011 for projects that were being financed by the UWM land sale revenue. Any work that will not be able to be completed in 2011 will need to be completed in 2012.

Each of the individual projects listed below includes the 2011 budgeted UWM land sale financing amount and the amount cash financing necessary for work being completed in 2011.

Project WP174 Parks Major Maintenance (Domes HVAC Repair and Upgrades): Financing of \$100,000 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. Cash financing of \$56,248 is needed so that the work can be performed in 2011.

Project WP186 Parks Naturalization: Financing of \$61,000 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. The work will be temporally deferred until 2012. It is anticipated that work will begin in the Spring of 2012 rather than the Fall of 2011.

Project WZ600 Zoo Master Plan: Financing of \$200,000 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. It is estimated that \$200,000 will be spent in 2011; however, since half of the project is financed with revenue from the Zoological Society only \$100,000 of cash financing will be needed from Milwaukee County in 2011. The second half of the project will be completed in 2012.

Project WO114 Countywide Infrastructure Improvements: Financing of \$2,848,381 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. Approximately \$2.2 million in cash financing will be needed to perform work in 2011. One major item that will be performed in 2012 will be the re-caulking of the Criminal Justice Facility. It is anticipated that bid document preparation for the re-caulking will occur in late 2011 so that implementation can occur in 2012. The re-caulking is estimated to cost \$864,000.

Project WO205 Fiscal Automation Program: Financing of \$65,000 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. The work associated with the UWM land sale revenue will be deferred until 2012.

Project WO444 BHD/MCSO Electronic Medical Records: Financing of \$500,000 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. Staff is currently in Phase 2 "Request for Proposal (RFP) Process and Vendor Selection" and is in the process of evaluating proposals from vendors. It is unknown at this time how much cash financing will be required in 2011.

Project WO514 War Memorial Window Replacement and Reseal: Financing of \$42,000 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. Cash financing of \$42,000 is needed so that the work can be performed in 2011.

Project WO515 War Memorial Window Ledge Leak Repairs: Financing of \$15,300 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. Cash financing of \$15,300 is needed so that the work can be performed in 2011.

Project WO949 Inventory and Assessment of County Buildings: Financing of \$1,168,318 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. The 2011 Budget includes property condition assessments for the Airport, Parks, Cultural, Criminal Justice, Fleet Maintenance, and Behavioral Health Facilities. Property condition assessments have begun with areas that are financed by Airport Revenue. Assessments for Parks, the Marcus Center, and the Milwaukee Public Museum will take place in 2011. The remaining facilities (Children's Court, House of Corrections, Fleet Central Garage, Fleet North Shop, and the CATC) will be assessed in 2012. The cash financing needed for the non-airport work being performed in 2011 is \$524,700.

### Summary

Assuming work on these projects begins June 1, it is estimated that about \$3.5 million of cash financing will be needed to perform work on these projects throughout the remainder of 2011.



---

Pamela Bryant  
Capital Finance Manager

cc: Marvin Pratt, County Executive  
Michael Mayo, Chairman, Transportation and Public Works Committee  
Johnny Thomas, Vice-Chairman, Finance and Audit Committee  
Jack Takerian, Director, Department of Transportation and Public Works  
Greg High, Director, Architecture and Engineering Division  
E. Marie Broussard, County Executive's Office  
Steve Cady, County Board Fiscal and Budget Analyst  
Martin Weddle, County Board Analyst

**COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION**

Date: March 18, 2011

To: Supervisor Lee Holloway, Chairperson, County Board of Supervisors  
Supervisor Michael Mayo, Sr., Chairperson, Transportation, Public Works Committee

From: Jack H. Takerian, Director of Transportation and Public Works

Subject: **Guaranteed Energy Savings Performance Contracting (GESPC) to Repair County Building Infrastructure – Revised Proposal from Johnson Controls, Inc. Project # 5081-8479**

**POLICY**

The Director of Transportation and Public Works is requesting authorization to prepare, review, approve and execute all contract documents as required to hire Johnson Controls Inc. (JCI), an Energy Services Company (ESCO) previously approved as qualified by the County Board, to provide Phase 2 Guaranteed Energy Savings Performance Contracting (GESPC) to repair and renew Milwaukee County building infrastructure based on the energy audits performed at selected County facilities and as described in a previous report from the Department of Transportation and Public Works (DTPW) to the County Board.

**BACKGROUND**

In the July 2008 County Board cycle DTPW submitted to the TPW/T Committee a report that recommended which buildings should be considered as part of the 20% of all County buildings to be audited in 2009 for potential GESPC in keeping with the “Green Print” resolution. DTPW requested proposal from the 3 qualified ESCOs to perform the Technical Energy Audits (TEA) in 2009.

In the September 2008 County Board cycle, the County Board approved a funding source for conducting the TEAs for the County-owned buildings listed in the report. In January 2010 DTPW submitted a recommendation to the County Board on 3 GESPC contracts, including contracts from Honeywell, AMERESCO and JCI. In March 2010 the Department of Administrative Services (DAS) submitted a “Due Diligence” report to the County Board on all 3 contracts and a recommendation for the GESPC Financing. The County Board authorized execution of the contracts for Honeywell and AMERESCO.

However, the GESPC contract with JCI was not authorized due to “due diligence” issues regarding the replacement of heating and cooling systems based on natural gas rather than steam. This report requests approval for a revised GESPC contract having a reduced scope of work that does not involve any change from the existing basic steam based heating and cooling systems.

JCI performed TEAs at the Children’s Court Center, Fleet Management and the Parks Administration building.

The TEA included a Guaranteed Energy Savings Performance Contract (GESPC) project development scenario. The TEA contract commits Milwaukee County to enter into a GESPC if the ESCO provides, to the satisfaction of the project team, that the program

developed illustrates that energy and water use savings can be attained to meet the County's terms. The cost of the work to generate the TEA will be rolled into the cost of the GESPC. Once this provision has been met by the ESCO, should Milwaukee County decide not to proceed with a GESPC, the County is required to reimburse the ESCO for expenses actually incurred during the Technical Energy Audit Contract. Considering the square footage of the building list in this contract, this reimbursement could amount to a total of \$55,000.

The TEA by JCI was completed in May of 2009 and revisited recently in 2011. The audit contains a preliminary program development for the facilities in the assigned building grouping. The ESCO indicated that they believe there is more than enough energy and water use savings among the buildings they audited to pay for the implementation or construction of the Energy Conservation Measures (ECMs) recommended in the program development.

The details of the implementation of the Energy Conservation Measures (ECM) at each facility and standard contract terms and conditions for the GESPC contract has been reviewed and tentatively agreed to by the ESCO and County staff, including Parks, DTPW, Corporation Counsel, Risk Management and DAS Fiscal personnel.

A summary of the proposed costs for the ESCO proposal is as follows:

**JCI:** Estimated Implementation Cost of \$1.8 million  
(See attached scope of work)

DAS Fiscal Affairs plans to submit an additional informational report to the County Board in March 2011 to provide a summary of the "due diligence" analysis performed by DAS for this GESPC proposals.

The current schedule for this process is as follows:

**Energy Performance Contract (GESPC) Phase 2 - revised timeline is as follows:**

Recommendation to County Board on GESPC Contracts - DTPW	March 2011
Approval contingent on the satisfactory "Due Diligence" by DAS	
"Due Diligence" Informational Report to County Board - DAS	March 2011
Recommendation of GESPC Financing to County Board - DAS	March 2011
Phase 2 Energy Performance Contract (GESPC) Implementation	April 2011

Milwaukee County's goal is 25% DBE subcontractor participation on any subsequent GESPC to be awarded as an outcome of this contract. GESPC documents will contain pertinent and current DBE, AA and EEO policy requirements. The specified DBE participation forms will be received and approved by the CBDP office prior to GESPC award by the County.

The County Board also authorized in 2009 that TEAs be performed at City Campus, the 5 Senior Centers and the 2 Wil-O-Way facilities. Originally, these facilities were assigned

to Honeywell Inc., another approved ESCO. Currently Honeywell is working on a \$2.7 million GESPC at the Courthouse Complex. At this time, DTPW also requests authorization to assign to JCI the TEA and development of a GESPC proposal for City Campus, the 5 Senior Centers and the 2 Wil-O-Way facilities based on JCI's excellent previous work at the Zoological Gardens and in order to expedite the implementation of Energy Conservation Measures (ECMs) at these other facilities. When these new GESPC proposals are complete, DTPW will submit a report to the County Board to request authorization to enter into contracts upon completion of the required "due diligence".

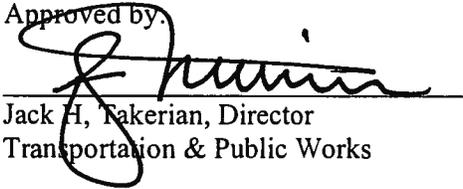
**RECOMMENDATION**

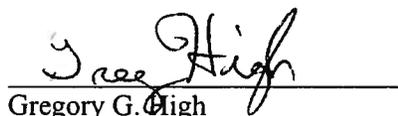
The Director of Transportation and Public Works respectfully submits a recommendation to the County Board to adopt a resolution that provides the following:

Authorization for the Director of Transportation and Public Works to prepare, review, approve and execute all contract documents as required to hire JCI, an ESCO previously approved by the County Board, to provide Phase 2 Guaranteed Energy Savings Performance Contracting (GESPC) to repair and renew Milwaukee County building infrastructure based on the energy audits performed at selected County facilities. **This authorization is contingent on the satisfactory "Due Diligence" performed by DAS on each GESPC proposal.**

Prepared by: Gregory G. High

Approved by:

  
\_\_\_\_\_  
Jack H. Takerian, Director  
Transportation & Public Works

  
\_\_\_\_\_  
Gregory G. High  
Director, AE&ES Div., DTPW

Attachment: Scope of Work for JCI proposed GESPC

cc: Marvin Pratt, County Executive  
E. Marie Broussard, Deputy Chief of Staff  
Pam Bryant, Capital Finance Manager, Administration & Fiscal Affairs Division, DAS  
Scott Manske, Controller, Accounts Payable Division, DAS  
John Schapekahn, Corporation Counsel  
Sarah Jankowski, Fiscal Mgt. Analyst, Administration & Fiscal Affairs Division/DAS

FIM#	FIM NAME	COST	
CCC-1	Install Stand alone chiller Plant	\$0	
CCC-2	Install stand along boiler plant	\$0	
CCC-3	Convert to Metasys Extended Architecture & Schedule Air Handling Units	\$114,504	
CCC-4	Upgrade existing controls system with Facility Performance Indexing(FPI) system	\$19,905	
CCC-5	Convert existing AHU-15 pneumatic controls to DDC controls	\$37,933	
CCC-6	Install 5kW PhotoVoltaic system for power generation	\$0	
CCC-7	Install solar thermal domestic hot water heating system	\$124,855	
CCC-8	Provide new electronic ballast for existing lighting(verify)	\$261,177	
CCC-9	Provide parking lot LED lighting	\$113,396	
CCC-10	Upgrade existing plumbing fixtures with low flush fixtures	\$38,212	
CCC-11	Installing Vending Miser on vending machines.	\$1,348	
	Total of Childrens Court Center		\$711,330
G-1	Install stand along boiler plant	\$0	
G-2	Convert to Metasys Extended Architecture	\$173,901	
G-3	Setback temperature in garage during unoccupied hours	\$65,210	
G-4	Provide destratification fans in garage areas	\$42,614	
G-5	Provide VSD on secondary hot water pump	\$32,600	
G-6	Install 10kW PhotoVoltaic system for power generation	\$114,698	
G-7	Upgrade garage Lighting with new energy efficient lighting	\$412,292	
G-8	Provide parking lot LED lighting	\$127,609	
G-9	Upgrade existing plumbing fixtures with low flush fixtures	\$21,600	
G-10	Installing Vending Miser on vending machines.	\$1,348	
	Total of Garage		\$991,872
PAB-1	Install stand along boiler plant	\$0	
PAB-2	Installing Vending Miser on vending machines.	\$1,348	
	Total of Park		\$1,348
	<b>SUB-TOTAL</b>	<b>\$1,704,550</b>	

MKE County Management Services		\$50,000
Project Contingency	\$	55,000
<b>TOTAL</b>	<b>\$</b>	<b>1,809,550</b>

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45

(ITEM \_\_\_\_ ) From the Director of Transportation and Public Works, requesting authorization to prepare, review, approve and execute all contract documents as required to hire Johnson Controls Inc. (JCI), an Energy Services Company (ESCO) previously approved as qualified by the County Board, to provide Phase 2 Guaranteed Energy Savings Performance Contracting (GESPC) to repair and renew Milwaukee County building infrastructure based on the energy audits performed at selected County facilities and as described in a previous report from the Department of Transportation and Public Works (DTPW) to the County Board in July of 2008, by recommending adoption of the following:

**A RESOLUTION**

WHEREAS, in the July 2008 County Board cycle DTPW submitted to the TPW/T Committee a report that recommended which buildings should be considered as part of the 20% of all County buildings to be audited in 2009 for potential GESPC in keeping with the "Green Print" resolution and DTPW requested proposals from the 3 qualified ESCOs to perform the Technical Energy Audits (TEA) in 2009 and in the September 2008 County Board cycle, the County Board approved a funding source for conducting the TEAs for the County-owned buildings listed in the report; and,

WHEREAS, in the September 2008 County Board cycle, the County Board approved a funding source for conducting the TEAs for the County-owned buildings listed in the report and in January 2010 DTPW submitted a recommendation to the County Board on 3 GESPC contracts, including contracts from Honeywell, AMERESCO and JCI and in March 2010 the Department of Administrative Services (DAS) submitted a "Due Diligence" report to the County Board on all 3 contracts and a recommendation for the GESPC Financing and the County Board authorized execution of the contracts for Honeywell and AMERESCO, and,

WHEREAS, the GESPC contract with JCI was not authorized due to "due diligence" issues regarding the replacement of heating and cooling systems based on natural gas rather than steam and this report requests approval for a revised GESPC contract having a reduced scope of work that does not involve any change from the existing basic steam based heating and cooling systems and JCI performed TEAs at the Children's Court Center, Fleet Management and the Parks Administration building, and,

WHEREAS, the TEA included a Guaranteed Energy Savings Performance Contract (GESPC) project development scenario and the TEA contract commits Milwaukee County to enter into a GESPC if the ESCO provides, to the

46 satisfaction of the project team, that the program developed illustrates that energy  
47 and water use savings can be attained to meet the County's terms. The cost of the  
48 work to generate the TEA will be rolled into the cost of the GESPC. Once this  
49 provision has been met by the ESCO, should Milwaukee County decide not to  
50 proceed with a GESPC, the County is required to reimburse the ESCO for expenses  
51 actually incurred during the Technical Energy Audit Contract. Considering the  
52 square footage of the building list in this contract, this reimbursement could amount  
53 to a total of \$55,000, and,

54

55 WHEREAS, the TEA by JCI was completed in May of 2009 and  
56 revisited recently in 2011 and the audit contains a preliminary program  
57 development for the facilities in the assigned building grouping and the ESCO  
58 indicated that they believe there is more than enough energy and water use savings  
59 among the buildings they audited to pay for the implementation or construction of  
60 the Energy Conservation Measures (ECMs) recommended in the program  
61 development and the details of the implementation of the Energy Conservation  
62 Measures (ECM) at each facility and standard contract terms and conditions for the  
63 GESPC contract has been reviewed and tentatively agreed to by the ESCO and  
64 County staff, including Parks, DTPW, Corporation Counsel, Risk Management and  
65 DAS Fiscal personnel, and,

66

67 WHEREAS, DAS Fiscal Affairs plans to submit an additional  
68 informational report to the County Board in March 2011 to provide a summary of  
69 the "due diligence" analysis performed by DAS for this GESPC proposals, and,

70

71 WHEREAS, Milwaukee County's goal is 25% DBE subcontractor  
72 participation on any subsequent GESPC to be awarded and GESPC documents will  
73 contain pertinent and current DBE, AA and EEO policy requirements and the  
74 specified DBE participation forms will be received and approved by the CDBP office  
75 prior to GESPC award by the County, and

76

77 WHEREAS, the County Board also authorized in 2009 that TEAs be  
78 performed at City Campus, the 5 Senior Centers and the 2 Wil-O-Way facilities.  
79 Originally, these facilities were assigned to Honeywell Inc., another approved ESCO  
80 and currently Honeywell is working on a \$2.7 million GESPC at the Courthouse  
81 Complex and at this time, DTPW also requests authorization to assign to JCI the TEA  
82 and development of a GESPC proposal for City Campus, the 5 Senior Centers and  
83 the 2 Wil-O-Way facilities based on JCI's excellent previous work at the Zoological  
84 Gardens and in order to expedite the implementation of Energy Conservation  
85 Measures (ECMs) at these other facilities and when these new GESPC proposals are  
86 complete, DTPW will submit a report to the County Board to request authorization  
87 to enter into contracts upon completion of the required "due diligence", now,  
88 therefore,

89

90 BE IT RESOLVED, that the Director of Transportation and Public  
91 Works is authorized to prepare, review, approve and execute all contract  
92 documents as required to hire JCI, an ESCO previously approved by the County  
93 Board to provide Phase 2 Guaranteed Energy Savings Performance Contracting  
94 (GESPC) to repair and renew Milwaukee County building infrastructure based on the  
95 energy audits performed at selected County facilities; and,

96

97 BE IT FURTHER RESOLVED, that this authorization is contingent on  
98 the satisfactory "Due Diligence" performed by DAS on the GESPC proposal.

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** March 21, 2011

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** **Guaranteed Energy Savings Performance Contracting (GESPC) to Repair County Building Infrastructure – Revised Proposal from Johnson Controls, Inc.**  
**Project # 5081-8479**

**FISCAL EFFECT:**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact  | <input type="checkbox"/> Increase Capital Expenditures |
| <input checked="" type="checkbox"/> Existing Staff Time Required  | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input type="checkbox"/> Absorbed Within Agency's Budget  | <input type="checkbox"/> Decrease Capital Revenues     |
| <input checked="" type="checkbox"/> Not Absorbed Within Agency's Budget   |  |
| <input checked="" type="checkbox"/> Decrease Operating Expenditures   | <input type="checkbox"/> Use of contingent funds       |
| <input checked="" type="checkbox"/> Increase Operating Revenues   |  |
| <input type="checkbox"/> Decrease Operating Revenues  |  |

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure		
	Revenue		
	Net Cost		
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. Authorization for the appropriate County staff to prepare, review, approve and execute all documents as required to hire a qualified firm to provide Guaranteed Energy Savings Performance Contracting (GESPC) to repair and renew Milwaukee County building infrastructure.

B. Net cost to the individual facility operating budget is zero. The most qualified performance contractor is selected and authorized by the County to develop a performance contract proposal, the performance contract will be awarded, contingent on the performance contract conditions guaranteeing that energy savings will cover all County costs for the project. This would include County project management services including review of the performance contract documents, quality assurance and control and construction management.

C. Energy cost savings realized after completion of the building system upgrades implemented under the performance contract provide funding to make payments for the work and associated building system service agreements over a 10 year period. Energy quantity savings are guaranteed by the contractor for the entire term of the agreement. If actual savings fall short of the guaranteed amount in any given year of the agreement, the performance contractor makes up the difference.

D. Efficiencies are realized using the operating budget money that would have gone to pay for energy bills to install and service new, efficient building systems (environmental controls, HVAC, electric power, lighting, fire/safety/security and communications) that provide an enhanced

---

<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

environment for employees and citizens in the course of providing government services and freeing up resources in the capital budget for other projects.

Department/Prepared By Department of Transportation and Public Works Gary E. Drent

Recommended By: Gregory G. High  
Gregory G. High Director, AE& ES

Authorized Signature Jack H. Takerian  
Jack H. Takerian, Director DTPW

Did DAS-Fiscal Staff Review?  Yes  No

**COUNTY OF MILWAUKEE  
INTER-OFFICE COMMUNICATION**

**DATE:** March 22, 2011

**TO:** Supervisor Lee Holloway, Chairman, County Board of Supervisors

**FROM:** Pamela Bryant, Capital Finance Manager, Department of Administrative Services

**SUBJECT: UPDATE ON DUE DILIGENCE REPORT REGARDING PHASE 2  
GUARANTEED ENERGY SAVINGS PERFORMANCE CONTRACTING WITH  
JOHNSON CONTROLS**

**Background**

During the April 2010 County Board cycle the Department of Administrative Services (DAS) submitted due diligence reports for the second phase of performance contracting. A separate report was completed for the proposal submitted by Johnson Controls. The County Board requested further analysis on the Johnson Controls proposal relating to the replacement of steam heating systems currently used at various County Grounds facilities with natural gas boilers at each location.

In the October 2010 County Board cycle an updated report was provided by DAS that included information on long term rate agreements, alternatives to steam, maintenance costs associated with the new natural gas system and detailed information on the projected annual savings. The conversion from steam to gas would provide a substantial cost savings by switching to a less expensive energy source. However, since the savings was not based on a decrease in energy usage, and there was no guarantee that steam rates would remain much higher than natural gas rates, DAS recommended that this initiative be looked at as part of the Capital Improvements Program in 2013. DAS submitted a resolution that recommended that the County Board not move forward with converting from steam to gas as part of Phase 2 performance contracting, and substitute other projects in place of it. The County Board did not approve moving forward with the proposed project.

**Issue**

In order to move forward with completing Phase 2 Johnson Controls has submitted an alternative proposal. They have removed the portion of the project relating to the conversion from steam to gas and provided an updated proforma with the facility improvements that remain. The project would include the following improvements:

**Children's Court Center**

- Upgrades to air handling units
- Upgrade existing control systems with Facility Performance Indexing System
- Convert to DDC controls
- Install solar thermal domestic hot water heating system
- Lighting upgrades, including adding new electronic ballasts to existing lighting and converting parking lot lights to LED
- Upgrade existing plumbing fixtures with low flush fixtures
- Installing vending misers on vending machines

**Fleet Garage & Sheriff Building**

- Upgrade building controls to Metasys Extended Architecture
- Provide destratification fans in garage
- Provide variable speed controls on secondary hot water pump

- Install 10kw PhotoVoltaic system for power generation
- Lighting upgrades, including new lighting within the garage and new lighting in the parking lot
- Upgrade existing plumbing fixtures with low flush fixtures
- Installing vending misers on vending machines

**Parks Administration Building**

- Installing vending misers on vending machines

The projected annual cost of the loan and service agreement for the improvements is listed below, along with the projected annual savings. The projected annual savings in years 2011 – 2015 also includes some operational savings due to all of the equipment being new and under warranty, which would provide a cost savings to the Department’s operating budget.

	<b>Projected Annual Savings</b>	<b>Annual Cost Principal and Interest</b>	<b>Service Agreement</b>	<b>Net Savings</b>
Year 1	\$222,894	\$220,333	\$17,723	(\$15,162)
Year 2	\$229,581	\$220,333	\$18,254	(\$9,006)
Year 3	\$236,468	\$220,333	\$18,801	(\$2,666)
Year 4	\$243,562	\$220,333	\$19,365	\$3,864
Year 5	\$250,869	\$220,333	\$19,946	\$10,590
Year 6	\$246,522	\$220,333		\$26,189
Year 7	\$253,918	\$220,333		\$33,585
Year 8	\$261,535	\$220,333		\$41,202
Year 9	\$269,381	\$220,333		\$49,048
Year 10	\$277,463	\$220,333		\$57,130
<b>TOTAL</b>	<b>\$2,492,193</b>	<b>\$2,203,330</b>	<b>\$94,089</b>	<b>\$194,774</b>

In the first three years the projected savings do not cover the cost of the loan and service agreement costs. In previous performance contracts the projected annual savings offset the costs associated with implementing the improvements. In 2010 the County Board approved a master lease with Bank of America to finance the full cost of the improvements in Phase 2 of performance contracting with the proposals from Johnson Controls, Ameresco and Honeywell for a total of \$7.5 million. The County will begin paying debt service costs on that loan in 2011. Since the Johnson Controls portion of performance contracting has not been implemented the County may not see adequate savings to cover the cost of the debt service payment in 2011. This may leave the Department of Transportation and Public Works with a year-end deficit. If the County is able to implement the revised proposal we will begin to see savings in 2011. The estimated debt payment in 2011 for the \$3.8 million directly related to the Johnson Controls proposal is \$497,330. The total debt service payment for phase 2 of performance contracting is \$930,564.

If the revised proposal is approved Johnson Controls would move forward with implementation in 2011. Given that the lighting upgrades have a quick installation time frame, the County would begin to see some energy savings in 2011. The first full year of savings would be realized in 2012. The original proposal from Johnson Controls included a total of \$3,812,769 in improvements. The revised proposal includes \$1,809,550 in improvements. The Department of Transportation and Public Works will be requesting approval for Johnson Controls to complete a technical energy audit on other County facilities to make up the remaining \$2.0 million.

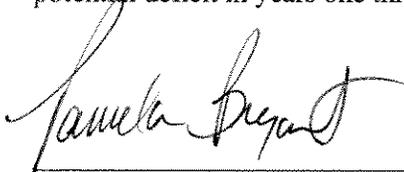
The net savings over a ten-year period are anticipated to reach \$194,774. It is important to note that the savings is based on the current rates with a projected annual increase. If rates decrease or increase higher than anticipated, then savings may be lower or higher than projected. The proforma was based on current TPTWT - April 6, 2011 - Page 15

energy rates with an estimated 3% increase each year. The Department of Energy Administration predicts a 6.4% increase in natural gas rates and a 0.5% increase in electric rates from 2011 to 2012. Since 2001 the average increase in electric prices is 3.5% and natural gas is 4.9%. Based on the current projections and historical trends a 3% increase is likely to occur.

### Conclusion

Based upon the review by the Department of Transportation and Public Works A&E Division on the analysis of the improvements and due diligence review of projected utility rates in future years it is likely that the overall savings will be achieved for the Johnson Control proposals. The actual return on the investment will depend on future utility rates. As was discussed earlier if utility rates increase higher than projected, then the County will receive additional dollar savings, but if the utility rates decrease the County will see lower savings than projected.

Based on the due diligence review it appears that the projected savings could be realized and provide adequate savings to pay for the cost of the improvements beyond year three. The County also anticipates receiving Focus on Energy grants upon completion of the improvements, which should exceed the potential deficit in years one through three.



\_\_\_\_\_  
Pamela Bryant, Capital Finance Manager

cc: Marvin Pratt, County Executive  
Supervisor Michael Mayo, Sr, Chair, Transportation and Public Works Committee  
Supervisor Johnny Thomas, Chair, Finance and Audit Committee  
Jack Takerian, Director, Department of Transportation and Public Works  
Greg High, Director, Architecture and Engineering Division  
E. Marie Broussard, County Executive's Office  
Steve Cady, County Board Fiscal and Budget Analyst  
Sarah Jankowski, DAS, Fiscal and Management Analyst

**COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION**

**DATE:** March 22, 2011

**TO:** Lee Holloway, Chairperson, County Board of Supervisors  
Michael Mayo, Sr., Chairman, Transportation, Public Works & Transit Committee

**FROM:** Jack Takerian, Director of Transportation & Public Works

**SUBJECT:** 2011 NATIONAL PUBLIC WORKS WEEK (INFORMATIONAL ONLY)

**POLICY**

A departmental update on events scheduled for the 2011 National Public Works Week. This year's American Public Works Association Theme is "Public Works: Servicing You and Your Community."

**BACKGROUND**

Milwaukee County this 2010-2011 winter season has had more than normal snowfall. As a result Milwaukee County has had many challenges, which include keeping our roadways safe and clear the Airport operational and Milwaukee County Open for Business. These challenges along with strategic planning for salt usage and scheduling of staff time allowed Milwaukee County to continue to stay open for business. Public Works employees made it possible for residents to get home safely on our roadways and make it safe for our traveling public. This could not have been done without the skilled Commercial Drivers License operators and Public Works employees that work through our varied Wisconsin seasons. Our goal is always to keep Milwaukee County Open for Business.

To show appreciation for the workers within our department, the Department of Transportation and Public Works takes the opportunity during the American Public Works Association – National Public Works Week to show our appreciation by scheduled events to celebrate our employees. We also take this opportunity to partner with Wisconsin Mutual Insurance – Aegis, Corporation, AFSCME Local 882, Risk Management and Public Works Division leaders to send them through retraining and safety orientation. The training is to make sure that staff is functioning at the top of their skill level to keep our citizens and employees safe.

In order to honor Public Works employees on this national week of recognition, we have several events that are scheduled every year. Public Works has found

that it is very important to recognize and promote our loyal, dedicated employees and keep them and Milwaukee County a safe haven for the public.

**This year we have the following events scheduled:**

May 19 – 20 Fifth Annual 2011 “ **TRUCK ROADEO**”

May 21<sup>st</sup> Public Works **DOZER STYLE FAMILY EMPLOYEE DAY**

Monday May 23, 2011 **25 Year Employee Recognition Day**

**Second Annual “Future Faces of Public Works” Phase II – “MY GENERATION”**

All the County Board Supervisors are invited to attend all the events which are located at the 440<sup>th</sup> At GMIA.

**RECOMMENDATION**

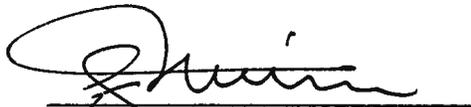
No recommendation is required at this time.

**FISCAL NOTE**

No fiscal impact.

Prepared by: Fay L. Roberts, Assistant Director of Public Works

Approved by:



Jack Takerian, Director

Department of Transportation & Public Works

Date: March 16, 2011  
To: Chairman Michael Mayo, Sr., Transportation, Public Works & Transit Committee  
From: Jack H. Takerian, Director, Department of Transportation and Public Works  
Subject: **O'Donnell Park Parking Structure Improvements – Project Status  
Report #3 (Informational Only)**

**Background**

The 2011 Adopted Capital includes O'Donnell Park Improvements with an appropriation of \$6,557,830. Due to a delay in receiving the UWM land sale revenue, the budget amount has been reduced to \$6,019,849. During the 2011 budget deliberations the County Board requested a detailed plan for these improvements. In November of 2010 the Department of Transportation and Public Works (DTPW) on behalf of the Department of Parks submitted an informational report highlighting the details of the recommended scope of work for the O'Donnell Park Parking Structure improvements. This report was received by the Committees on Transportation, Public Works and Transit and on Finance and Audit and placed on file. Subsequent project status reports were requested by the Committee. The previous report #2 was dated February 8, 2011.

**Status on the Façade Restoration Component**

**Demolition Contract**

This contract scope includes removal and disposal of all the concrete pre-cast panels. The demolition contract bids were opened on 2/09/2011. Three (3) responsive, responsible bids were received as follows:

1. JP Cullen & Son, Inc. (JPC) of Brookfield, WI with a base bid of \$538,443.
2. Miron Construction Co., Inc of Neenah, WI with a base bid of \$633,390.
3. C. G. Schmidt of Milwaukee, WI with a base bid of \$725,049.

AE&ES Division staff and the design consultant staff of Carl Walker, Inc. reviewed the bids submitted and recommended the low bid, responsive, responsible contractor J. P. Cullen, Inc. be awarded the contract based on the base bid for a total contract amount of \$538,443. The award was made on 2/11/11 and a notice to proceed was issued to the contractor on 2/16/2011.

**Contract Schedule**

Milestone dates in the proposed schedule for this contract remain as previously reported. This includes a demolition construction start on 2/16/2011 with completion on 4/20/2011.

**DBE Participation and Residency Goal**

A goal of 25% DBE participation was established for this construction contract. The contractor is committing to 25.2% DBE participation. A residency goal of 50% was established for this construction contract. The contractor has committed to meeting that goal.

**Envelope Improvement Contract**

The construction scope of work on this contract includes replacing the removed concrete pre-cast panel system by providing a direct applied polyer-modified cement based finish system, bid as the base bid, or an alternative bid metal wall panel system and glazed entry structure. The envelope improvement contract bids were opened March 9, 2011. Three (3) responsive, responsible bids were received as follows:

1. KBS Construction Inc. (KBS) of Madison, WI with a base bid of \$1,734,000 for the cement finish system and an additive bid of \$1,192,000 or \$2,926,000 total for the metal panel alternative system

**O'Donnell Park Parking Structure Improvements – Project Status  
Report #3 (Informational Only)**

March 16, 2011

Page 2 of 3

2. JP Cullen & Son, Inc. (JPC) of Brookfield, WI with a base bid of \$1,598,797 for the cement finish system and an additive bid of \$1,369,151 or \$2,967,948 total for the metal panel alternative system
3. VJS Construction Services (VJS) of Pewaukee, WI with a base bid of \$1,946,000 for the cement finish system and an additive bid of \$1,114,215 or \$3,060,215 total for the metal panel alternative system; VJS also proposed a substitute of materials for the metal panel system using steel panels as opposed to the specified aluminum panel for a credit of \$245,894 which if accepted would result in a \$2,814,321 total for the metal panel alternative system; this substitution of materials was not accepted after comparing the material qualities of the steel versus the specified aluminum panels.

AE&ES Division staff and the design consultant staff of Carl Walker, Inc. reviewed the bids submitted and consulted with representatives of the County Parks, adjacent tenants and neighboring facilities in considering whether to award the base bid cement finish or add the metal panel alternative. The total bid, including the metal panel alternative, is within the established construction budget. While the cement finish is less expensive, the metal panel system will provide more than the specified 25 years of service life with minimal maintenance compared to the significant maintenance required for the base bid cement finish. The product warranty for the metal panels is 20 years versus 5 years for the cement finish. The metal panel system will provide a new look for the previously troubled structure, emphasizing the improved and safer structure.

After consideration of the above, AE&ES Division staff concurred with the design consultant staff of Carl Walker, Inc. and recommended that the low bid, responsive, responsible contractor KBS Construction Inc. (KBS) be awarded the contract based on the base bid plus the metal panel alternative for a total contract amount of \$2,926,000. The award was made on 3/11/11 and a notice to proceed is anticipated on 3/23/2011.

**Contract Schedule**

Milestone dates in the proposed schedule for this contract remain as previously reported. The envelope improvement construction start is anticipated to be 3/23/2011 with completion on 6/22/2011.

**DBE Participation and Residency Goal**

A goal of 25% DBE participation was established for this construction contract. The contractor is committing to 25.3% DBE participation. A residency goal of 50% was established for this construction contract. The contractor has committed to meeting that goal.

**Status on the Internal Repair Component**

**Repair Contract**

The construction scope of work on this contract includes replacement of expansion joints, repair of spalled concrete, repair of cracks in concrete, resealing joints, repair of leaks in parking deck, re-waterproofing exposed plaza level decks, coat supported parking deck slabs with sealant, replace broken drainage pipes and install new heat tracing and insulation on storm drainage piping.

Bids were opened March 9, 2011. Three (3) responsive, responsible bids were received as follows:

1. Ram Construction Services (RCS) of Minnesota of Little Canada, Minnesota with a bid of \$916,316.00
2. SPS Infrastrucutre of St. Paul, Minnesota with a bid of \$979,565.00
3. Vista Design & Construction, LLC of Milwaukee, Wisconsin with a bid of \$1,066,000.00

AE&ES Division staff and the design consultant staff of GRAEF USA reviewed the bids submitted and found the low bid of RCS to be in order and acceptable. A recommendation was made that the low bid, responsive, responsible contractor Ram Construction Services (RCS) be awarded the contract in the amount of \$916,316. The award was made on 3/11/11 and a notice to proceed is anticipated on 3/23/2011

C:\DOCUME~1\jtakeri\LOCALS~1\Temp\notes83D4951~4716777.doc

**O'Donnell Park Parking Structure Improvements – Project Status  
Report #3 (Informational Only)**

March 16, 2011

Page 3 of 3

**Contract Schedule**

Milestone dates in the proposed schedule remain as previously reported and include the Internal Repair construction start on 3/23/2011 with completion on 6/3/2011.

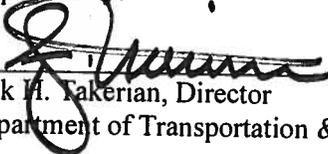
**DBE Participation and Residency Goal**

A goal of 25% DBE participation was established for this construction contract. The contractor is committing to 25.2% DBE participation. The residency goal was waived for the construction contract for this component of the project only due to repair efforts requiring specialized contractors certified by the material manufacturer as a qualified installer.

**Budget Overview**

Current overall commitments to the budget on this project total \$4,998,259. Remaining funding will be reserved for use in addressing unforeseen site conditions,

Approved by:

  
\_\_\_\_\_  
Jack H. Takerian, Director  
Department of Transportation & Public Works

  
\_\_\_\_\_  
Gregory G. High, P.E.  
Director, AE&ES Div., DTPW

cc: County Executive Marvin Pratt  
Supervisor Lee Holloway, Chairperson, County Board of Supervisors  
Supervisor John Weishan, Vice-Chair Transportation, Public Works & Transit Committee  
Terry Cooley, Chief of Staff  
E. Marie Broussard, Deputy Chief of Staff  
Jerry Heer, Director, Department of Audit  
Sue Black, Director, Department of Parks  
Timothy Schoewe, Interim Corporation Counsel  
John Schapekahn, Principal Assistant Corporation Counsel  
Jason Gates, Director, Risk Management  
Steve Cady, Fiscal & Budget Analyst, County Board  
Brian Dranzik, Director, Administration Division, DTPW  
Jodi Mapp, TPW/T Committee Clerk  
Martin Weddle, Research Analyst, County Board  
Pam Bryant, Capital Finance Manager, Administration & Fiscal Affairs Division, DAS

**COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION**

**DATE:** March 22, 2011

**TO:** Michael Mayo, Sr., Chairman, Transportation, Public Works & Transit Committee

**FROM:** Jack H. Takerian, Director of Transportation and Public Works

**SUBJECT:** 2012 State Executive Budget Review

**POLICY ISSUE:**

This report is in response to a request made at the Transportation, Public Works and Transit Committee on March 2011 meeting cycle.

**BACKGROUND:**

**Highway Maintenance Division**

**General Transportation Aids. (GTA)** - The state executive budget includes a 15% decrease in GTA for 2012. The amount of eligible costs from 2010 reported by Milwaukee County for inclusion in the GTA formula is unknown until after the CAFR is submitted by DAS later this spring. The 2012 GTA funding reduction for Highway maintenance is 349,615 or 15%. The information below shows the amount of the total GTA reduction for 2012.

<u>Year</u>	<u>Total GTA Amount of dollars Milwaukee County receives</u>	<u>GTA Reduction Percentage</u>	<u>Reduced Amount</u>
2012	3,637,158	15%	-641,852

The countywide GTA amounts include the Highway Maintenance GTA portion as well as the portion allocated to the Sheriff and to Parks.

**State Maintenance Funding** -The Executive budget includes a 2% increase in state maintenance funding each year of the 2-year budget. Based on Milwaukee County's 2011 Routine Maintenance Agreement (RMA) budget, the following schedule includes the potential increase in state maintenance funding for Highway Maintenance.

<u>Year</u>	<u>RMA</u>	<u>Increase</u>	<u>Amount Increase</u>
2011	12,255,100	0%	0
2012 (Estimated)	12,500,202	2%	245,102
2013 (Estimated)	12,750,206	2%	250,004

The above calculation assumes a 2% increase that is distributed equally to all counties. Based on the level of service model used by WISDOT, the actual increase to an individual county could approximately +/- 2%.

**Total Funding and Proposed Corrective Action**

The estimated GTA funding reduction for Highway maintenance is 349,615, which is partially offset by the State Maintenance budget increase 245,102 leaving a budget gap of 104,513.

The budget gap will be addressed with expenditure reduction on county trunk highways maintenance, or a supplemental revenue source would have to be identified. Mowing on County Trunk Highways will be reduced from twice per month to once per month. The balance will be addressed by holding vacant positions open for a longer period of time.

**Transportation Services Division**

**Local Road and Local Bridge Program** – This section is not impacted by the State bi-annual operating budget. An application for funding was submitted on July 2010 for the 2011-14 cycle, projects were selected by Southeastern Regional Planning Commission during the early part of 2011. The next application for funding will be submitted in July 2012 for the 2015-17 cycle.

**RECOMMENDATION:**

Informational Report

**FISCAL NOTE:**

None

Prepared by: Rollin M Bertran, P.E., Director of Highway Operations

Approved by:



Jack H. Takerian, Director  
Department of Transportation and Public Works

**COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION**

Date: March 30, 2011

To: Supervisor Michael Mayo, Sr., Chairman, Transportation, Public Works and Transit Committee

From: Jack Takerian, Director, Department of Transportation and Public Works

Subject: Milwaukee County's Title VI Program –Informational Report

**POLICY**

**The Civil Rights Act of 1964 contains the following language under Title VI:**

"No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

All Federal grant recipients are further required to have policy that addresses aspects of the law pertaining to anti-discrimination, limited English proficiency, fair participation and service equity. This is commonly referred to as Title VI program.

**BACKGROUND**

Over past few years, budget constraints have lead to an erosion of programs and services offered by public agencies nationwide. These changes has prompted the Federal government to pay particular attention to how these service changes have affected the public with regard to Title VI compliance. Federal grant recipients must comply with Title VI by having a Title VI plan. For Transportation and Public Works, the two areas that are directly affected are the Airport and Transit. Other agencies such as the State of Wisconsin and the Southeast Wisconsin Regional Planning Commission (SEWRPC) must also have Title VI policies based on the fact that they are either the grant recipients for federal road funds; or in the case of SEWRPC, the metropolitan planning organization responsible for planning activities within the urbanized area.

While each division has to comply with Title VI policy, there is a difference in how each parent Federal agency administers the program. The Federal Transit Administration (FTA) has regularly audited Milwaukee County and the Milwaukee County Transit System with regard to the Title VI policy in place for transit through the triennial review process. The general requirements and guidelines for FTA grant recipients include:

- Provide an annual Title VI certification and assurance document
- Develop Title VI compliant procedures
- Record Title VI investigations, complaints, and lawsuits
- Provide meaningful access to Limited English Proficiency (LEP) persons

- Provide notification to beneficiaries of protection under Title VI
- Provide additional information upon request
- Prepare and submit a Title VI program document once every three years

FTA has determined that all grantees must prepare and submit a Title VI plan containing the following information:

- A summary of public outreach and involvement activities undertaken since the last Plan submission (December 2008) and a description of steps taken to ensure that minority and low-income people had meaningful access to these activities.
- A copy of MCTS' plan for providing language assistance for persons with limited English proficiency that was based on the Department of Transportation Guidance.
- A copy of MCTS procedures for tracking and investigating Title VI complaints.
- A list of any Title VI investigations, complaints, or lawsuits filed with MCTS since the last submission.
- A copy of MCTS' notice to the public that it complies with Title VI and instructions to the public on how to file a discrimination complaint.
- A copy of MCTS' demographic analysis of its beneficiaries.
- Copies of system-wide service standards and system-wide service policies adopted by MCTS since last submission.
- A copy of the equity evaluation of any significant service changes and fare changes since the last submission.
- A copy of the result of either the level of service monitoring, quality of service monitoring, demographic analysis of customer surveys, or locally developed monitoring procedures conducted since the last submission.

MCTS is scheduled to have its Title VI plan updated by the end of 2011. Milwaukee County and MCTS will work with SEWRPC to perform an updated demographic analysis based on recently published census data.

While FTA has been more aggressive in its review of Title VI procedures, the Federal Aviation Administration (FAA) has historically not had as robust of a review process as transit. General Mitchell International Airport (GMIA) has been notified that an audit of the Airport's Title VI program will be performed in May. In addition to auditing the airport's Title VI program, the audit scope includes contractors with the airport including airlines, concessionaires, vendors and ground transportation.

The materials that have been provided to the Airport at this include:

- Maintaining equal participation in a program or activity
- Ensuring that there has been not denial of benefits of a program or activity
- Maintain that access to a site, or the location of a facility, has not been made that would deny access or exclude individuals from participation.

- Maintain that the Airport's plan has been coordinated with local transit or land use authorities.
- Ensure that minority and small business communities in the area have been advised of business opportunities offered by concessions at the airport.
- Maintain that bids were solicited by qualified minority firms for each of its concession contracts awarded during the last 12 months.
- Maintain that information has been disseminated on an equal basis.
- Provide evidence that minority responses to bid invitations have been treated in the same manner as all other responses.
- Show that Title VI records are maintained, recorded and reported as necessary.

In addition, the audit will review:

- Emergency Readiness Planning
- Improved access to services for persons with limited English proficiency
- Environmental Justice compliance

This is the first time GMIA has been audited for Title VI compliance. It is unclear at this time whether or not the FAA will require the Airport to provide this type of information on a more regular basis similar to that of transit.

### **RECOMMENDATION**

This report is for informational purposes and no recommendation is required at this time.

Prepared by: Brian Dranzik, Director of Administration, DTPW

Approved by:

---

Jack Takerian, Director  
Transportation and Public Works

Cc: Marvin Pratt, Interim County Executive  
E. Marie Broussard, County Executive Chief of Staff  
Lee Holloway, Chairman, Milwaukee County Board of Supervisors  
Terry Cooley, Chief of Staff, Milwaukee County Board of Supervisors  
Barry Bateman, Airport Director  
Lloyd Grant, Managing Director, MCTS  
Frieda Webb, Disadvantaged Business Enterprise Office  
Brian Dranzik, Director of Administration – DTPW

**COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION**

**DATE:** March 22, 2011

**TO:** Supervisor Michael Mayo, Sr., Chairperson, Transportation, Public Works & Transit Committee

**FROM:** Jack Takerian, Director of Transportation and Public Works

**SUBJECT:** Summary of Fund Transfers for Consideration at the Finance and Audit Committee  
April 2011- **Informational Report**

<u>Description</u>	<u>Amount</u>
DTPW - Airport	\$2,432,000

- The Director of Transportation and Public Works has requested an appropriation transfer of \$827,000 to reconstruct a segment of Taxiway B at General Mitchell International Airport moving the total cost from \$2,140,000 to 2,967,000. The original scope of the project was to reconstruct the taxiway in its current location. In the course of the design work for this project, it was discovered that a wingspan restriction on this taxiway could be eliminated if the taxiway could be shifted slightly to the north by approximately forty five feet. The addition of a new swing gate at the current vehicle checkpoint north of the taxiway location will be required to allow it to open and close without violating the taxiway safety area. In conjunction with this change, additional security cameras and storm sewers will also need to be relocated. The cost of the aforementioned changes is now expected to exceed the original budget by \$827,000. The segment of Taxiway B which is being proposed for reconstruction currently consists of 4 inches of asphalt over concrete. The area suffered major degradation of the asphalt material due to the two flood events of 2010.

The funding source for the Taxiway B project has been changed from AIP funding as originally indicated to State aid, allowing the Taxiway B project to be funded with 80% (\$2,373,600 State funding) and with the 20% local share (\$593,400) initially coming from the Airport's Capital Improvement Reserve Account. This change in funding requires the removal of \$1,605,000 which was set up in Federal Grants (acct#2699) initially while increasing State funding (acct#2299) to \$2,373,600 and the contributions from the reserve (acct#4707) to \$593,400. The Airport Capital Improvement Reserve Fund will be refunded when PFC funds, as part of upcoming PFC application no. 17 is approved. Approval of this appropriation transfer will have no fiscal impact on the tax levy of Milwaukee County and will allow General Mitchell to effect permanent improvements to Taxiway B.

<u>Description</u>	<u>Amount</u>
DTPW- Highway	\$ 150,000

- The Director of Transportation and Public Works and the Director of Highway Operations have requested \$150,000 transfer to provide funding and expenditure authority to mitigate construction activity along I-94. The funds are necessary for the planning and execution of a contract with the WISDOT to ensure the safety, accessibility, and mobility for the traveling public in the project area including I-94, I-43 and I-894 from College Avenue on the south, Loomis Road on the west and Howard Avenue on the north. Project responsibilities also include providing alternative routes

within two miles of the interstate roadways. This 100% reimbursed project involves a commitment beginning January 1, 2011 and ending December 31, 2012. No tax levy impacts results from this fund transfer.

<u>Description</u>	<u>Amount</u>
DTPW-AE & ES	\$45,000

1. An appropriation transfer of \$45,000 is requested by the Director of the Department of Transportation and Public Works accepting revenue generated through the terms of the Agreement set between Waste Management of Wisconsin, Inc. and the affected municipalities related to the proposed expansion of the Metro Landfill in Franklin, Wisconsin.

In 2003, Waste Management of Wisconsin, Inc. notified Milwaukee County and other affected municipalities regarding of their intention to apply for a permit to expand the existing landfill, and by doing so sought to begin negotiations with the affected municipalities in accordance with the Wisconsin State Statute 289.33. In April of 2003, the Milwaukee County Board of Supervisors passed a resolution (File No. 03-249) authorizing Milwaukee County's participation, as an affected community, in the negotiation process. Milwaukee County has participated in the negotiation process since 2003, culminating in the unanimous passage of the Metro Landfill Expansion Agreement by the Negotiating Committee (the committee includes the City of Franklin, Town of Raymond, Town of Norway, City of Muskego, Waukesha County, Racine County and Milwaukee County) passage of a unanimous vote by the Negotiating Committee to approve the final Agreement.

Milwaukee County's approval of the agreement has resulted in \$45,000 of additional revenue for use in 2011. It is anticipated that the County will receive additional revenue in future years as a result of this agreement that could be used to pay for costs related to solid waste management including the operation and maintenance of the County's closed landfill sites, recycling activities and repair of roadways affected by waste hauling. It is requested that this fund transfer be approved. This transfer has no levy impact.

Approved by:



\_\_\_\_\_  
Jack Takerian, Director of  
Transportation and Public Works

JHT:mmb

**COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION**

**DATE:** March 17, 2011

**TO:** Michael Mayo, Sr., Chairman, Transportation, Public Works and Transit Committee

**FROM:** Jack Takerian, Director, Transportation and Public Works

**SUBJECT:** **BAGGAGE CLAIM REMODELING AT GENERAL MITCHELL INTERNATIONAL AIRPORT (GMIA)**

**POLICY**

Informational

**BACKGROUND**

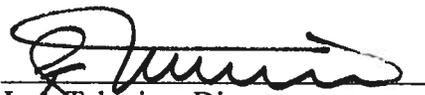
Milwaukee County has approved of Capital Project No. WA042 Baggage Claim Remodeling, which will totally renovate the baggage claim building. The baggage claim building was part of the original terminal building opened in 1955, when it served as both the ticket counter and baggage claim building. It was renovated in the 1983-85 terminal expansion to become the baggage claim building it is today.

The project will include new HVAC, restrooms, and baggage claim carousels. Also included in the project are new sidewalks and a canopy for the front drive. Project cost is estimated to be \$46 million.

EngbergAnderson Design Partnership, Inc., the architect for the project, will make a brief presentation to the Committee.

Prepared by: C. Barry Bateman, Airport Director

Approved by:

  
\_\_\_\_\_  
Jack Takerian, Director  
Transportation and Public Works

  
\_\_\_\_\_  
C. Barry Bateman  
Airport Director

CC: Lee Holloway, Chairman County Board of Supervisors

H:\Private\Clerk Typist\Aa01\TPW&T 11\April 2011\REPORT - INFO - Baggage Claim Remodeling.doc

**COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION**

**DATE:** March 17, 2011

**TO:** Supv. Lee Holloway, Chairman, County Board of Supervisors  
Supv. Michael Mayo, Sr., Chairman, Transportation, Public Works & Transit Committee

**FROM:** Jack Takerian, Director of Transportation and Public Works

**SUBJECT:** **ESTABLISHMENT OF AN OFF-AIRPORT PARKING PRIVILEGE FEE IN THE ORDINANCES OF MILWAUKEE COUNTY – REPORT #2**

**POLICY**

Amendments to County Ordinance require County Board approval.

**BACKGROUND**

Federal laws and regulations require airports to be as self-supporting as possible. Over the next five years, Airport capital projects are expected to cost \$299,860,000 million, of which \$60,827,000 million will be paid by airport users. That \$60 million will come from airline landing fees and space rentals, parking revenues, retail and food concessions, rent-a-car fees, land rentals, and a multitude of other airport user fees including permittees, building renters, taxis, limos, and shuttle operators.

All airport users pay a fee, or rental, or percent of gross appropriate to their use of the airport. This policy is further embodied in County Ordinance 4.02(1) *Commercial Activity*:

No person shall use the county's airports or any portions thereof for the conduct of a commercial enterprise, or other form of revenue producing activity, without first obtaining authorization therefor from the proper authorities of the county by means of a written agreement, lease, license, or permit and paying the rentals, fees and charges as established therefor.

The two groups that are not paying an appropriate charge relative to their generation of revenues from, and use of, the airport are the off-airport parking operators and the courtesy vehicle operators.

Attached to this report is the Transportation, Public Works & Transit Committee Report of February 10, 2011 which recommended amending County Ordinances to establish a fee for the off-airport parking operators.

**Legal Opinion**

The Committee laid over this item for Corporation Counsel to review the questions posed by Attorney Alan Marcuvitz who represented off-airport parking operator FastPark & Relax. Corporation Counsel will advise of its findings.

**Fees paid by FastPark & Relax at their other U.S. locations**

FastPark & Relax is the largest of the four off-airport parking operators with approximately 1450 spaces. They are also the only operator with a national presence. Following are the cities they operate in and the fees paid.

<b>Airport Name<sup>1</sup></b>	<b>Off Airport Parking Fees<sup>2</sup></b>
Albuquerque International Sunport (ABQ)	\$0.20 access fee/trip 5 minutes max. dwell time 2% gross revenues percentage fee
Austin - Bergstrom International Airport (AUS)	\$0.15/day for each parking space Annual permit fee of \$400/vehicle
Baltimore/Washington International Thurgood Marshall Airport (BWI)	\$100 permit year
Cincinnati/Northern Kentucky International Airport (CVG)	4% of gross revenues
Cleveland Hopkins (CLE) <sup>3</sup>	\$550 permit year
William P. Hobby Airport (HOU)	7% of gross receipts
Memphis International Airport (MEM)	10% plus \$105 per vehicle with AVI Transponder
Miami International Airport (MIA)	Lower Level: \$2.50 vehicles < 16 pax \$3.00 per vehicles 16 and over Upper level: \$1.00 vehicles < 16 pax \$2.00 vehicles 16 and over
General Mitchell International Airport (MKE)	\$500.00 annual permit/vehicle
Orlando International Airport (MCO)	10% of gross receipts
Raleigh-Durham International Airport (RDU)	\$1.00 for 3 minutes \$0.50 for 3 to 10 minutes
Tucson International Airport (TUS)	11% of gross receipts

<sup>1</sup> FastPark & Relax Website

<sup>2</sup> 2010 Ground Transportation Vehicle Fees Paid to Airports, Airport Ground Transportation Association

<sup>3</sup> CLE is installing AVI late 2011

**Estimated Revenue Off Airport Parking Locations**

<u>Company</u>	<u>total available spaces (1)</u>	<u># days</u>	<u>max space days</u>	<u>estimated vehicle days (2)</u>	<u>Estimated Gross parking rental Revenue (3)</u>
Fast Park (4)	1450	365	529,250	332,898	\$ 1,664,491
Economy	555	365	202,575	127,420	\$ 637,098
Exec Park	150	365	54,750	34,438	\$ 172,189
Clarion Hotel Parking	200	365	73,000	45,917	\$ 229,585
<b>Total</b>	<b>2,355</b>		<b>859,575</b>	<b>540,673</b>	<b>\$ 2,703,363</b>

**Airport Revenue @8%** **\$ 216,269**

- (1) per self report from off airport parking vendors
  - (2) estimated vehicle days based upon GMIA average occupancy for remote lots A & B
  - (3) calculated to be 62.9% for the period January - December 2010
  - (4) Calculated using an average daily charge per day without sales tax of \$5.00
- (4) Allright Parking (Fast Park) had gross revenue in 2004 of \$2,025,019 and 2005 of \$1,824,565, per court documents

**Fees paid by other Airport Vendors**

The following are the current percentages of gross received from airport vendors:

Food & Beverage	12%
-Alcohol	16%
-Vending	25%
Retail	
-Reading Material	13%
-Sundries & Snacks	15%
-Souvenirs & Gifts	17%
-Specialty Retail	12%
Airport Advertising	
-Static	50%
-Technology	40%
Off-Airport Rent-a-Car	6.5%
Off-Airport Catering	8%
Book Shop	12%
Luggage Carts	17%
Massage Chairs	10%
Rental Cars	10%

**Current fees paid by off-airport parking operators at General Mitchell International Airport, and as a percent of gross (estimated)**

<u>Company</u>	<u>Estimated Gross parking rental Revenue (1)</u>	<u>Current Fees Paid (2)</u>	<u>% of Revenues Paid</u>
Fast Park	\$ 1,664,491	\$ 4,000	0.2403%
Economy	\$ 637,098	\$ 2,000	0.3139%
Exec Park	\$ 172,189	\$ 1,000	0.5808%
Clarion Hotel Parking	\$ 229,585	\$ 1,500	0.6534%

- (1) Calculated using an average daily charge per day without sales tax of \$5.00  
 (2) Fees and charges assessed to parking shuttles is \$500 permit fee per vehicle, per year.

**Cost of the Front Drives**

Front Drive Pavement-Annual Maintenance Expenses  
 (Does not include capital improvement costs)

<b>Task</b>	<b>Frequency</b>		<b>Totals</b>
<b>Snow</b>			
<b>Plowing/salting</b>	20 times annually Average 10 hours/event	\$	<b>63,420</b>
<b>Street</b>			
<b>Sweeping</b>	100 times annually Average 6 hours/event	\$	<b>84,708</b>
<b>Striping</b>	2 times annually 12 hours/event/crew of 4	\$	<b>4,452</b>
<b>Pavement</b>			
<b>Repair</b>	as needed	\$	<b>16,000</b>
<b>Sheriff</b>			
<b>coverage of</b>			
<b>driveways</b>	39 hours per day 14,235 hours annually management of ground transportation	\$	<b>953,176</b>
<b>CPS</b>		\$	<b>192,000</b>
<b>Lighting</b>	electricity & bulb replacement costs	\$	<b>94,000</b>
<b>Total Annual Expense</b>			<b>\$ 1,407,755</b>

**estimated Off Airport parking revenue @ 8% of gross** \$ **216,269**  
**percentage of annual operating expense** **15%**

**Back to basics**

1. The airport is a County business - not subsidized by local property taxes – paid for by its users. The off-airport parking operators are for-profit businesses, which derive their revenue solely from the passengers who use the airport.
2. The County has invested millions of dollars into General Mitchell International Airport. The operators are generating significant revenues from the County's airport investment, without paying an appropriate fee for that opportunity or for their use of airport roadways and services.
3. The revenues received from all airport users are used for the continued operation and maintenance of the airport and for capital improvements. As shown in the attached tables, the fees proposed on off-airport parking operators will represent just 15% of the operating costs of the drives used by the off-airport parking shuttles and none of the capital costs of constructing or reconstructing that infrastructure.

Approved by:

---

Jack H. Takerian, Director  
Transportation and Public Works

---

C. Barry Bateman  
Airport Director

H:\Private\Clerk Typist\Aa01\TPW&T 11\April 2011\REPORT - Off Airport Parking Privilege Fee\_V2.doc

**COUNTY OF MILWAUKEE  
INTER-OFFICE COMMUNICATION**

**DATE:** February 10, 2011

**TO:** Lee Holloway, Chairman, County Board of Supervisors  
Michael Mayo, Sr., Chairman, Transportation, Public Works & Transit Committee

**FROM:** Jack Takerian, Director of Transportation and Public Works

**SUBJECT:** **Establishment of an Off Airport Parking Privilege Fee in the Ordinances of Milwaukee County**

**POLICY ISSUE**

Changes to County Ordinances require County Board approval.

**BACKGROUND**

All users of General Mitchell International Airport are required to pay a user fee in the form of lease or rental payments, landing fees, gallonage fees, or a percentage of gross revenues for the opportunity to conduct business with the tenants and passengers who travel through or use the Airport. This policy is further embodied in County Ordinance 4.02(1).

Many of the nation's airports have already adopted ordinances to require that off-airport parking companies pay a percentage of gross receipts to the airport operator for the opportunity and privilege of conducting business and earning revenue that is generated from the airport.

Table II-12 is a compilation of the results of two surveys conducted by Airport Ground Transportation in 2010 and Airports Council International – North America (ACI-NA) in 2005. Table II-12 lists 58 airports that assess one or more types of fees on off-airport parking operators. The surveys show:

- Types of fees collected from off-airport parking operators: (1) percentage of gross revenue, (2) annual fee per shuttle vehicle, (3) fee per trip, (4) annual fee per parking space, and (5) annual permit fee by company.
- The most common practice is the assessment of fee as a percentage of gross revenue (Figure II-5). Thirty-three of the 58 airports in Table II-12 collected a percentage of gross revenue, ranging from 2% to 10%. Figure II-6 shows how many airports in the combined sample collected a particular percentage: 13 airports collected 10%; 8 airports, 8-9%; 7 airports 6-7%; and 6 airports, 1-5%.
- A number of airports collect more than one type of fee. Of the 16 airports that collect more than one type of fee, 11 collect two fees, four collect three fees, and one collects four fees. An annual permit fee and a per trip fee is the most popular combination of fees.

**TABLE II-12 (1 of 2)**  
**FEES ASSESSED ON OFF-AIRPORT PARKING**  
**OPERATORS**

Airport	2009 Total Passengers <sup>1</sup>	Annual Permit Fee per Company	Per Trip Fee	Annual Fee Per Shuttle	Percent of Gross Revenue	Annual Fee Per Space
Hartsfield-Jackson Atlanta International	88,032,086	\$120	\$1.60 >= 25 pax; \$2.45 <= 25 pax	\$360		\$10.00
Los Angeles International	56,520,843					
Dallas-Fort Worth International	56,030,457		\$1.75 - \$5.30 based on vehicle		10.0%	
Denver International	50,167,485					
George Bush Intercontinental	40,007,354		\$2.90	\$400	8.0%	
Phoenix Sky Harbor International	37,824,982					
San Francisco International	37,338,942		\$1.00			
Charlotte-Douglas International Airport	34,536,666					
Miami International	33,886,025		\$1.00-\$3.00 based on vehicle and pickup location			
Oriando International	33,693,649					
Minneapolis-St. Paul International	32,378,599	\$60	\$2.50 w/ permit, \$6.00 w/o permit <sup>3</sup>		10.0%	
Detroit Metropolitan Wayne County	31,357,388		\$2.11	\$9,360		
Seattle-Tacoma International	31,227,512					
Boston Logan International	25,512,086		\$3.75		4.0%, 8.0% <sup>4</sup>	
Fort Lauderdale-Hollywood International	21,060,144					
Baltimore/Washington International	20,963,048		\$1.57	\$100		
Salt Lake City International	20,442,178					
San Diego International	16,974,172	\$200				
Tampa International	16,965,545		\$2.00	\$550	7.0%	
Portland International	12,929,675					
Lambert-St. Louis International	12,796,302					\$40.00
Cincinnati-Northern Kentucky International	10,622,185					
Memphis International	10,264,327	\$105			4.0%	
Kansas City International	10,041,165				10.0%	
Oakland International	9,652,782	\$500	\$3.00	\$50	10.0%	
Raleigh-Durham International	8,973,209			\$900 - \$2,400 based on vehicle		
Nashville International	8,936,860					
William P. Hobby	8,498,441				7.0%	

Source: 2010 Airport Ground Transportation Association Survey, except as noted.

<sup>1</sup> ACI-NA 2009 Final Rankings.

<sup>2</sup> 2005 ACI-NA Airport Parking Survey.

<sup>3</sup> \$2.00 per 10 minutes dwell time after the first 10 minutes.

<sup>4</sup> 4% on first \$20K per month; 8% on revenue greater than \$20K per month.

<sup>5</sup> Per occupied space, per day.

<sup>6</sup> Per parked vehicles on lots with less than 10 spaces.

<sup>7</sup> Per parked vehicles on lot with more than 10 spaces.

TABLE II-12 (2 of 2)  
 FEES ASSESSED ON OFF-AIRPORT PARKING OPERATORS

Airport	2009 Total Passengers <sup>1</sup>	Annual Permit Fee per Company	Per Trip Fee	Annual Fee Per Shuttle	Percent of Gross Revenue	Annual Fee Per Space
San Jose International	8,321,750	\$200	\$1.00-\$4.00 based on vehicle		8.0%	
Austin-Bergstrom International	8,220,898			\$400		\$0.15 <sup>5</sup>
Pittsburgh International	8,031,175	\$660	\$1.00	\$75		
San Antonio International	7,831,267				10.0%	
Louis Armstrong New Orleans Int'l	7,787,373			\$100	7.0%	
Dallas Love Field	7,744,522	\$200	\$0.75			
Indianapolis International	7,465,719				10.0%	
Southwest Florida International	7,415,958		\$1.00	\$180-\$600 based on vehicle	8.0%	
Port Columbus International Airport	6,243,717				10.0%	
Palm Beach International <sup>2</sup>	5,994,606				8.0%	
Albuquerque International	5,895,211		\$0.20		2.0%	
Jacksonville International	5,605,934				6% w/ \$10k annual exemption	
Bradley International	5,334,322				4.0%	
Bob Hope	4,588,433		\$1.50		10.0%	
Reno-Tahoe International	3,755,935				7.0%	
Norfolk International	3,412,749				8.0%	
Will Rogers World	3,384,671			\$600		
Richmond International	3,305,199				8.0%	
Spokane International	3,055,081		\$0.50			
Boise	2,795,297	\$50	\$1.50 <sup>6</sup>			\$1.25 <sup>7</sup>
Albany International	2,630,578				10.0%	
Little Rock National	2,254,124	\$128				
Charleston International	2,190,251	\$120				
Gerald R. Ford International <sup>2</sup>	1,771,465				7.0%	
Knoxville McGhee Tyson	1,680,314				5.0%	
Wichita Mid-Continent <sup>2</sup>	1,505,607				8.0%	
Huntsville International	1,171,147				Greater of \$1K per month or 10%	
Eastern Iowa <sup>2</sup>	945,350				10.0%	
Chattanooga Metropolitan <sup>2</sup>	614,426				10.0%	
Monroe County <sup>2</sup>					6.0%	
<b># of airports (total=58)</b>		<b>12</b>	<b>19</b>	<b>13</b>	<b>33</b>	<b>4</b>

Source: 2010 Airport Ground Transportation Association Survey, except as noted.

<sup>1</sup> ACI-NA 2009 Final Rankings.

<sup>2</sup> 2005 ACI-NA Airport Parking Survey.

<sup>3</sup> \$2.00 per 10 minutes dwell time after the first 10 minutes.

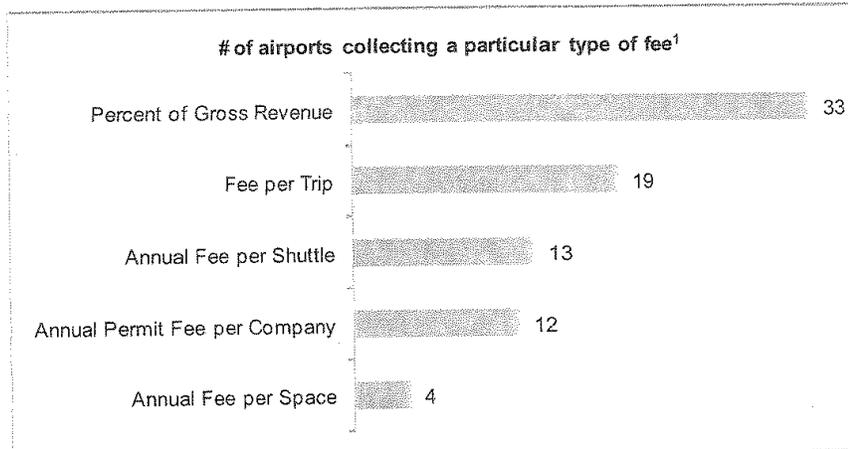
<sup>4</sup> 4% on first \$20K per month; 8% on revenue greater than \$20K per month.

<sup>5</sup> Per occupied space, per day.

<sup>6</sup> Per parked vehicles on lots with less than 10 spaces.

<sup>7</sup> Per parked vehicles on lot with more than 10 spaces.

**FIGURE II-5  
 FEES ASSESSED ON OFF-AIRPORT PARKING OPERATORS**



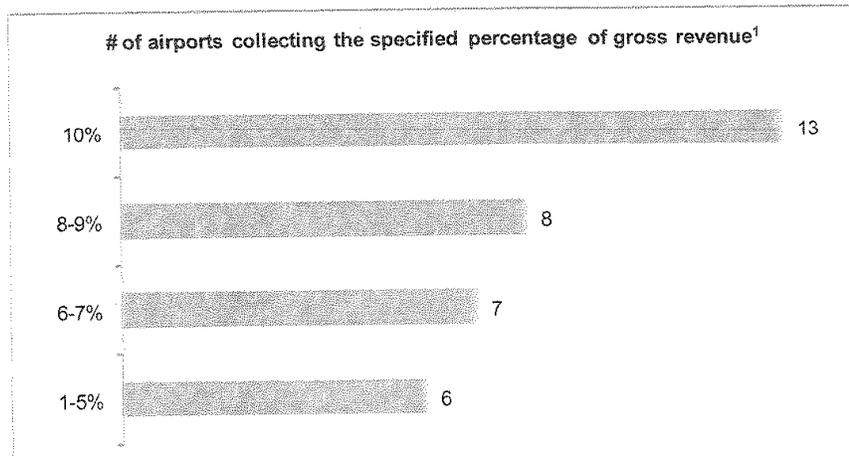
<sup>1</sup> Out of 58 airports that assess fees on off-airport parking operators.

Sources:

2010 Airport Ground Transportation Association Survey.

2005 ACI-NA Airport Parking Survey.

**FIGURE II-6  
 AIRPORTS THAT ASSESS FEES AS A PERCENTAGE OF GROSS REVENUE**



<sup>1</sup> Out of 58 airports that assess fees on off-airport parking operators.

Sources:

2010 Airport Ground Transportation Association Survey.

2005 ACI-NA Airport Parking Survey.

The County currently assesses off-airport parking operators at GMIA an annual fee of \$500 per shuttle vehicle.

For some time now, airport staff has been considering an ordinance to assess a percent-of-gross privilege fee for off-airport parking operators. Similar percent-of-gross fees are

already being assessed by County Ordinance to the off-airport rent-a-car companies and off-airport catering companies.

The City of Oak Creek is negotiating a fee proposal with a developer which is proposing building hotel(s) and a large off-airport parking lot to generate revenue for Oak Creek (see attachment 1).

Toward the goal of initiating such an off-airport parking operator privilege fee, airport staff met with the operators on February 3, 2011. At that meeting Airport staff provided a draft County Ordinance which, in addition to defining off airport parking operators and their requirements for providing service to the airport, included subparagraph (d) Charges Fees and Accounting which indicated that “in addition, pursuant to the exercise of the privileges identified herein, said Off-Airport Parking Operator will pay to the Airport a Privilege Fee for the privilege and opportunity of using the Airport and the business benefit it derives there from, said Privilege Fee to be in the amount of eight percent (8%) in 2011 of the gross revenues that are received as a result of Airport patrons parking in Off-Airport parking lots; that percentage privilege fee is to increase by ½% each calendar year thereafter and would maximize at, and not exceed, ten percent 10% in 2015, payable monthly as defined in (d)(ii) below.”

At the meeting the Airport Director answered numerous questions from the operators and offered to consider any counter proposal. Corporation Counsel was present at the meeting and explained that Courts have upheld fees similar to the one proposed here. The off-airport parking operators opposed the ordinance, and offered no counter proposals for consideration.

### **RECOMMENDATION**

Airport staff recommends that Section 4.33(3) be established and that Section 4.05.04(2)(a) of the General Ordinances of Milwaukee County be amended to initiate an Off Airport Parking Operator Privilege Fee in recognition of the operators’ use of General Mitchell International Airport for its revenues.

### **FISCAL NOTE**

In 2011, an estimated \$320,000 will be generated by the collection of 8% of off-airport parking revenue, with a projected increase of ½% each calendar year thereafter and would maximize at, and not exceed 10% in 2015.

---

Jack H. Takerian, Director  
Transportation and Public Works

---

C. Barry Bateman  
Airport Director

## Attachment 1

### Three-hotel campus proposed in Oak Creek near airport

A developer is planning to build three hotels, retail space and a large airport parking lot on a 26-acre site southeast of Howell Avenue and College Avenue, near Mitchell International Airport, in Oak Creek.

The developer for the project is Illinois-based Syner G. The plans include one hotel near Howell Avenue and two hotels near College Avenue. Each hotel would have 120 to 140 rooms.

The hotel near Howell Avenue would also have an attached 15,000-square-foot banquet facility.

The plans also include a 1,531-square-foot parking area for long term airport parking, which includes 166 spaces for overflow hotel parking.

The project plans also include two restaurant buildings, each with 5,000 square feet of space, along College Avenue, a 10,000-square-foot retail building along College Avenue and a 20,000-square-foot building for retail space, automotive services and pet care, which could serve hotel guests or travelers who leave their cars in the long term airport parking lot.

The developer has talked about seeking tax incremental financing (TIF) from the city for the project, but no formal application has been submitted yet, said Oak Creek community development director Doug Seymour. Also, the developer and the city have had preliminary discussions about a 50-cent per vehicle fee that the city would receive for cars parking in the long term airport parking lot, he said. Some nearby residents have objected to the plans for the development, expressing concerns about stormwater runoff to their properties. Residents submitted petitions to the city opposing the project. If enough of the adjacent property owners (20 percent) signed the petitions, then a supermajority of five of the Common Council's six members will need to support it in order for the project to be approved. The Oak Creek city attorney is review the petition to determine if they are a valid protest petition that triggers the supermajority rule.

The project will be reviewed by the council during its Oct. 19 meeting.

(ITEM NO. ) From the Director of Transportation and Public Works, requesting that the County Board amend Milwaukee County Ordinance Section 4.05.04(2)(a) and create Section 4.33(3) to provide for an Off-Airport Parking Operator Privilege Fee, by recommending adoption of the following:

**RESOLUTION/ORDINANCE**

WHEREAS, all users of General Mitchell International Airport are required to pay a user fee in the form of lease or rental payments, landing fees, gallonage fees, or a percentage of gross revenues for the opportunity to conduct business with the passengers and tenants who travel through or use the Airport; and

WHEREAS, this policy is further embodied in County Ordinance 4.02(1); and

WHEREAS, many of the nation’s airports have already adopted ordinances to require that off-airport parking companies pay a percentage of gross receipts to the airport operator for the opportunity and privilege of conducting business and earning revenue that is generated from the airport;

WHEREAS, the following types of fees are collected from off-airport parking operators: (1) percentage of gross revenue, (2) annual fee per shuttle vehicle, (3) fee per trip, (4) annual fee per parking space, and (5) annual permit fee by company; and

WHEREAS, the most common practice is the assessment of fee as a percentage of gross revenue. Thirty-three of 58 airports collected a percentage of gross revenue ranging from 2% to 10%, 13 airports collected 10%, 8 airports collected 8-9%, 7 airports collected 6-7%, and 6 airports collected 1-5%; and

WHEREAS, a number of airports collect more than one type of fee. Of the 16 airports that collect more than one type of fee, 11 collect two fees, four collect three fees, and one collects four fees. An annual permit fee and a per trip fee is the most popular combination of fees; and

WHEREAS, the County currently assesses off-airport parking operators at GMIA an annual fee of \$500 per shuttle vehicle; and

WHEREAS, similar percent-of-gross fees are already being assessed by County Ordinance to the off-airport rent-a-car companies and off-airport catering companies; and

WHEREAS, toward the goal of initiating such an off-airport parking operator privilege fee, airport staff met with the operators on February 3, 2011; and

47 WHEREAS, the Transportation, Public Works and Transit Committee, at its meeting of  
48 March 2, 2011 recommended approval (vote \_\_\_\_\_) to create Section 4.33(3) and amend  
49 Section 4.05.04(2)(a) to provide for an Off-Airport Parking Operator Privilege Fee at General  
50 Mitchell International Airport, now therefore,  
51

52 BE IT RESOLVED, that the Director of Transportation and Public Works and the Airport  
53 Director are hereby authorized to create Section 4.33 (3) and amend Section 4.05.04(2)(a) to  
54 provide for an Off-Airport Parking Operator Privilege Fee at General Mitchell International  
55 Airport, to become effective upon passage and publication:  
56

57 **AN ORDINANCE**  
58

59 To create Section 4.33(3) of the General Ordinances of Milwaukee County relating to an  
60 Off-Airport Privilege Fee.  
61

62 **SECTION 1.** Section 4.33(3) of the General Ordinances of Milwaukee County, as  
63 amended to and including December 18, 1996, is created to read as follows:  
64

65 Section 4.33(3). Off-Airport Parking Operator Privilege Fee  
66

67 (a) Purpose. It is the intent of this subsection that for and in consideration of the use  
68 of the facilities of General Mitchell International Airport ("Airport") and the business  
69 generated by the Airport, and further, in and for consideration of the business benefits  
70 received by the Off-Airport Parking Operators from their use of Airport facilities, the  
71 Airport agrees to allow and authorizes the Off-Airport Parking Operators to do business  
72 at the Airport under the terms, conditions and restrictions identified herein, including  
73 imposition of a fee upon the Off-Airport Parking Operators for the privileges, opportunity,  
74 benefits and authorization provided for in this subsection.  
75

76 (b) Definitions.  
77

78 (i) Airport Customer. For the purpose of this Section 4.33(3) only, Airport  
79 Customer is defined as any customer arriving at the airport terminal intending to  
80 travel by air and using the Airport for such purpose, or patrons and tenants of the  
81 Airport, any of whom use the vehicle parking and related services of an Off-  
82 Airport Parking Operator.  
83

84 (ii) Courtesy Vehicle. A Courtesy Vehicle is a motor vehicle transporting  
85 Airport Customers and which is further identified and defined in Section 4.01(13)  
86 and Section 4.05.04 of these Milwaukee County Ordinances.  
87

88 (iii) Off-Airport Parking Operator. An Off-Airport Parking Operator is a  
89 business association, entity or enterprise which operates a parking business off  
90 or outside of the Airport premises and, without being party to a concession or  
91 other agreement with the Airport, transports Airport Customers by means of a

92 Courtesy Vehicle to or from Off-Airport facilities or the Airport for the purpose of  
93 providing vehicle parking or related services for said Airport Customer.

94  
95 (iv) Off-Airport Facility means any business establishment located within a five  
96 (5) mile radius of the Airport Terminal owned, operated or used by an Off-Airport  
97 Parking Operator to conduct its business.

98  
99 (c) *Privileges.*

100  
101 (i) The Off-Airport Parking Operator is authorized to do business at the  
102 Airport, to provide vehicle parking or related services, to arrange for and operate  
103 its Courtesy Vehicles on the public roadway at the Airport by the most direct  
104 route authorized by the Airport Director, and to pick up and deliver Airport  
105 Customers, all in accordance with Chapter 4 of Milwaukee County Ordinances,  
106 as well as all other rules, regulations and procedures of the Airport.

107  
108 (ii) The Off-Airport Parking Operator will provide pickup and delivery service  
109 only for Off-Airport Parking Customers. Courtesy Vehicles are expressly  
110 prohibited from transporting customers for any reason other than to take them to  
111 Off-Airport Parking Facilities for the sole purpose of vehicle parking. The Off-  
112 Airport Parking Operator's Courtesy Vehicles (and drivers of same), which are  
113 operated by the Off-Airport Parking Operator shall, at all times, comply with and  
114 be regulated by Section 4.01(13), Section 4.05.04, and all other applicable  
115 Milwaukee County Ordinances.

116  
117 (iii) The Off-Airport Parking Operator shall operate on the airport in a safe and  
118 orderly fashion and shall not allow its agents, servants or employees to solicit, in  
119 any way, any business on the airport. The Off-Airport Parking Operator will not  
120 allow its agents, servants or employees to engage in any open or public disputes  
121 or conflicts tending to be incompatible with the best interests of the traveling  
122 public. The Airport shall have the right to resolve all such disputes or conflicts by  
123 the same procedure as that identified in Section 4.05.04(8) applicable to permit  
124 revocations.

125  
126 (iv) The authority and permission identified herein and granted to an Off-  
127 Airport Parking Operator is not exclusive and shall in no way establish or vest  
128 any priority use of the facilities relative to other commercial users of the Airport,  
129 nor does it restrict the Airport from assigning exclusive or priority use of airport  
130 facilities to others.

131  
132 (v) This subsection authorizes an Off-Airport Parking Operator to pick up and  
133 discharge its Airport Customers at the Airport in an area designated by the  
134 Airport Director or his designated representative and to enjoy the benefits derived  
135 from use of the related Airport facilities in the operation of the Off-Airport Parking  
136 Operator's business. The Off-Airport Parking Operator shall not operate an office  
137 or conduct any other kind of vehicle parking or any other business on the Airport

138 without the written express authorization of the Airport Director or otherwise  
139 entering into a separate concession or lease agreement with the Airport.

140  
141 (d) *Charges, Fees and Accounting.*

142  
143 (i) During the term and time period that the Off-Airport Parking Operator is  
144 operating, the Operator shall operate its Courtesy Vehicle in accordance with the  
145 terms and conditions identified in Section 4.05.04(2)(a) of the Milwaukee County  
146 Ordinances. In addition, pursuant to the exercise of the privileges identified  
147 herein, said Off-Airport Parking Operator will pay to the Airport a Privilege Fee for  
148 the privilege and opportunity of using the Airport and the business benefit it  
149 derives therefrom, said Privilege Fee to be in the amount of eight percent (8%) in  
150 2011 of the gross revenues that are received as a result of Airport patrons  
151 parking in Off-Airport parking lots; that percentage privilege fee is to increase by  
152 one-half percent (½%) each calendar year thereafter to ten percent (10%) in  
153 2015, payable monthly as defined in (d)(ii) below.

154  
155 (ii) Within twenty (20) days after the close of each calendar month, the Off-  
156 Airport Parking Operator shall submit to the Airport, in a form and with details  
157 satisfactory to the Airport, a statement of its gross receipts during the then-  
158 preceding month from its Off-Airport Parking Operator business as defined  
159 herein, upon which the percentage payments to be made to the County are  
160 computed, such statement to be signed by a responsible officer or manager of  
161 the Off-Airport Parking Operator. All remittances for privilege fees shall be made  
162 payable to the Milwaukee County Department of Public Works-Airport Division  
163 and remitted to the Office of the Airport Director, General Mitchell International  
164 Airport, Drawer No. 979, Milwaukee, Wisconsin 53278-0979.

165  
166 (iii) The term “gross receipts” as identified herein, shall be construed to mean  
167 the aggregate amount of all charges for parking services including parking,  
168 vehicle maintenance, cleaning, fueling and related services and shall be further  
169 construed to mean, for the purposes of the amount of such charges paid in cash,  
170 by credit or otherwise originating as a result of the Off-Airport Parking Operator  
171 transporting its Airport Customers by means of Courtesy Vehicles in connection  
172 with the parking services contracted for or delivered to such Airport customer  
173 regardless of when or where, paid or not, excluding credits, refunds and rebates  
174 given to the Airport Customer.

175  
176 (iv) The following shall not be considered as part of the Off-Airport Parking  
177 Operator’s gross receipts:

178  
179 A. Federal, state or municipal excise, sales or other similar taxes  
180 separately stated and collected from the Airport Customer as now exists  
181 or may hereafter be imposed;  
182

183 B. Any funds received by the Off-Airport Parking Operator for  
184 insurance or otherwise for physical damage to vehicles or other property  
185 of the Off-Airport Parking Operator or for the loss, conversion or  
186 abandonment of automobiles or motor vehicles;

187  
188 (e) Statements, Books and Records.  
189

190 (i) The Off-Airport Parking Operator shall keep accurate books and records in  
191 accordance with generally accepted accounting principles (GAAP) as approved  
192 by Milwaukee County Director of Audit. The Off-Airport Parking Operator shall  
193 operate its business at its Off-Airport Facility in a manner and method acceptable  
194 to the Airport Director such that those vehicle parking and related services or  
195 transactions entered into by Airport Customers can be identified.

196  
197 The Off-Airport Parking Operator shall keep full and accurate books and records  
198 showing all of its gross receipts pertaining to its Off-Airport operations, as  
199 identified herein, and Airport shall have the right, through its representatives at all  
200 reasonable times to inspect such books and records including sales tax returns.  
201 All such records and documents will be made available for at least a three (3)  
202 year period.

203  
204 (ii) The Off-Airport Parking Operator shall employ an independent certified  
205 public accountant who shall furnish within sixty (60) days after the close of each  
206 year, or portion thereof, a written statement to the Airport certifying that in their  
207 opinion the percentage fee paid off by the Off-Airport Parking Operator during the  
208 preceding year was made in accordance with the terms and conditions of this  
209 ordinance.

210  
211 (iii) Milwaukee County may prescribe or change reporting forms, the method  
212 or time of their submission, and the payment schedule. Milwaukee County shall  
213 first submit in writing to the off-airport parking company any desired changes.

214  
215 (f) Audit.  
216

217 (i) Milwaukee County may, at its own expense, audit the Off-Airport Parking  
218 Operator's books and records of receipts at any time for the purpose of verifying  
219 the gross receipts. If, as a result of such audit, it is established that the Off-  
220 Airport Parking Operator has understated the gross receipts by five (5) percent or  
221 more, the entire expense of the audit shall be borne by the Off-Airport Parking  
222 Operator.

223  
224 (g) Delinquent Charges of Fees.  
225

226 (i) Interest. Unless waived by the Milwaukee County Board of Supervisors,  
227 the Off-Airport Parking Operator shall be responsible for payment of interest on  
228 amounts not remitted in accordance with the terms of this Ordinance. The rate of

229 interest shall be the statutory rate in effect for all delinquent county property  
230 taxes (presently one (1) percent per month or fraction of a month) as described in  
231 subsection. 74.80(1) Wis. Stats. The obligation for payment and calculation  
232 thereof, shall commence upon the day following the due date established herein.

233  
234 (ii) Penalty. In addition to the interest described above, the Off-Airport  
235 Parking Operator may be responsible for payment of penalties and amounts not  
236 remitted in accordance with the terms of this Ordinance, as may be determined  
237 by the Administrator of this Ordinance, or his designee. Said penalties shall be  
238 the statutory rate in effect for delinquent Milwaukee County property taxes  
239 (presently .5% per month or fraction of a month) as described in Milwaukee  
240 County Ordinance Section 6.06(1) and 74.80(2), Wis. Stats. The obligation for  
241 payment and calculation thereof shall commence upon the day following the due  
242 date established herein.

243  
244 (iii) Audit Results. If, as a result of the annual audit required herein, additional  
245 amounts are disclosed to be due and owing, interest and penalty shall be  
246 calculated thereon in accordance with the above method. The Off-Airport Parking  
247 Operator shall remit to the Milwaukee County any additional amounts identified  
248 as due and owing as a result of the audit including interest and penalty thereon  
249 within thirty (30) days following receipt of the audit report.

250  
251 (iv) Non-Exclusivity. This provision permitting collection of interest and  
252 penalties by Milwaukee County on delinquent payments shall not be considered  
253 to be an exclusive remedy against Off-Airport Parking Operator. Violation of any  
254 of the terms and conditions described in this Ordinance with respect to  
255 delinquent payments and exercise of this remedy is not a waiver by Milwaukee  
256 County of any other remedy permitted by law.

257  
258 (h) Security. To provide security for the Privilege Fee required hereunder, the Off-  
259 Airport Parking Operator shall comply with either of the following options prior to  
260 commencing operations under this Ordinance.

261  
262 (i) Post with the Airport a surety bond to be maintained throughout the term  
263 and time of operation by the Off-Airport Parking Operator in an amount equal to  
264 the Privilege Fee required hereunder for a period of three (3) months or one  
265 thousand five hundred dollars (\$1,500.00), whichever is greater. In the absence  
266 of historical data upon which to base the amount of security to be paid, the Off-  
267 Airport Parking Operator shall post a bond in the amount of one thousand five  
268 hundred dollars (\$1,500.00) as the security required herein. Such bonds shall be  
269 issued by a surety company acceptable to the Airport and authorized to do  
270 business in the state and shall be in the form and content satisfactory to the  
271 Airport.

272  
273 (ii) Deliver to the Airport an Irrevocable Letter of Credit drawn in favor of the  
274 Airport upon a bank which is satisfactory to the Airport and which is authorized to

275 do business in the State of Wisconsin. Said Irrevocable Letter of Credit shall be  
276 in an amount equal to the Privilege Fee required hereunder for a period of three  
277 (3) months or one thousand five hundred dollars (\$1,500.00), whichever is  
278 greater. In the absence of historical data upon which to base said Letter of  
279 Credit, the Off-Airport parking Operator shall furnish an irrevocable letter of credit  
280 in the amount of one thousand five hundred dollars (\$1,500.00) as the security  
281 required herein.

282  
283 (iii) In the event the off-airport parking company is unable to secure a surety  
284 bond or irrevocable letter of credit as required hereunder, the Airport may, at its  
285 sole discretion, accept a cash deposit in the amount stated herein in lieu thereof.

286  
287 (iv) If the off-airport parking company fails to make payments as required  
288 under this ordinance, the off-airport parking company shall forfeit to the Airport  
289 the bond or other security posted pursuant to this ordinance or so much of that  
290 bond or other security as is necessary to satisfy that difference. If the bond or  
291 other security is insufficient to satisfy the difference owed, the Airport may  
292 proceed to recover the deficiency and any damages allowed by law, including  
293 attorney fees and costs.

294  
295 **SECTION 2.** Section 4.05.04(2)(a) of the General Ordinances of Milwaukee County is  
296 amended to read as follows:

297  
298 (a) All applications for courtesy car permit(s) shall be made to the airport director and  
299 shall be accompanied by the a payment of a nonrefundable application fee of twenty-  
300 five dollars (\$25.00) which shall be applied toward the permit fee. The annual permit fee  
301 shall be five hundred dollars (\$500.00) per vehicle for all courtesy cars except those  
302 owned by an Off-Airport Car Rental Company and Off-Airport Parking Operators which  
303 shall pay an annual permit fee of one hundred fifty dollars (\$150.00) per vehicle. The  
304 fee for the permits applied for after April 1\_of any year shall be pro-rated for the  
305 remaining portion of that year. ~~Payment of the fee shall be made to the airport director~~  
306 ~~who will then issue a decal for each vehicle. Decal shall be mounted on the inside lower~~  
307 ~~left hand corner of the windshield, the left hand corner being on the driver's left when~~  
308 ~~seated behind the wheel. This permit shall be issued for each vehicle and is not~~  
309 ~~transferable to any other vehicle. If a vehicle is replaced, which has previously been~~  
310 ~~permitted, the permit shall be cancelled and application shall be made to the airport~~  
311 ~~director for a replacement permit at an additional fee of ten dollars (\$10.00).~~

312 **SECTION 3.** This ordinance shall take effect upon passage and publication  
313  
314

315 H:\Private\Clerk Typist\Aa01\TPW&T 11\Resolution - Off Airport Parking 4.33(3).doc  
316

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** February 10, 2011

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT: ESTABLISHMENT OF AN OFF AIRPORT PARKING PRIVILEGE FEE IN THE ORDINANCES OF MILWAUKEE COUNTY**

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact  | <input type="checkbox"/> Increase Capital Expenditures |
| <input checked="" type="checkbox"/> Existing Staff Time Required                                       | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input checked="" type="checkbox"/> Absorbed Within Agency's Budget                                    | <input type="checkbox"/> Decrease Capital Revenues     |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget   |  |
| <input type="checkbox"/> Decrease Operating Expenditures   | <input type="checkbox"/> Use of Contingent Funds       |
| <input checked="" type="checkbox"/> Increase Operating Revenues  |  |
| <input type="checkbox"/> Decrease Operating Revenues   |  |

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
<b>Capital Improvement Budget</b>	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. <sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

In 2011, an estimated \$320,000 will be generated by the collection of 8% of off-airport parking revenue, with a projected increase of ½% each calendar year thereafter and would maximize at, and not exceed, 10% in 2015.

Department/Prepared by: John V. Moore, Airport Operations Manager - Landside

Authorized Signature \_\_\_\_\_

Did DAS-Fiscal Staff Review?  Yes  No  
Reviewed by:

H:\Private\Clerk Typist\Aa01\TPW&T 11\FISCAL NOTE - Off Airport Parking Fee.doc

---

<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

**MILWAUKEE COUNTY  
INTER-OFFICE MEMORANDUM**

TO: Michael Mayo, Sr.  
Chair, Transportation, Public Works and Transit Committee

FROM: Timothy R. Karaskiewicz  
Principal Assistant Corporation Counsel

DATE: March 30, 2011

RE: Proposed Off-Airport Privilege Fee and Courtesy Vehicle  
Fee Structure File Nos. 11-102 and 11-92

The following issues have been referred to this office for opinion and comment: whether the proposed off-airport privilege fee and courtesy vehicle fee structure:

- 1) Are improper restrictions on the free use of a public road in violation of WSA §349.03;
- 2) Constitute a violation of WSA §114.14(3)(b)(1) because they deprive the public of the equal and uniform use of the airport;
- 3) Are an impermissible tax rather than a user fee;
- 4) Demonstrate a rational relationship between the application of the proposed fee and airport congestion and reimbursement for airport costs and expenses; or
- 5) Improperly discriminate between different classes of parking operators (public and private) and off-airport business operators (such as hotels, gas stations, and restaurants).

**STATUTORY, REGULATORY, AND CONTRACTUAL CONTEXT**

Airport sponsors are under a continuing obligation to follow various federal and state rules, regulations and statutes. In addition, as part of each federal grant airport sponsors are required to make certain assurances and promises. Thus, airport sponsors assure the federal government that, as a condition of accepting federal grants, the airport sponsor will:

- 1) use all revenue derived from airport property for the operation, maintenance, and development of the airport and
- 2) maintain an airport fee and rental structure for use of airport facilities and services that will make the airport as self-sustaining as possible.

Airport sponsors are also obligated to carry out all of these assurances without unjustly discriminating among users of the airport. The failure or refusal to apply fees equally and reasonably among airport users may constitute a form of unjust discrimination. Milwaukee County has accepted federal grants and is bound by these grant assurances. *FAA Airport Compliance Manual* 5190.6B (2010). The County has similar contractual obligations to its airport tenants, most notably the signatory airlines. Thus, the Signatory Airline Lease prohibits the County from diverting airport revenue for purposes other than airport maintenance and operation, and capital development.

**Section 515      Commitment of Airport Revenues**

County hereby covenants and agrees that insofar as legally permitted to do so under federal and state law and the Bond Resolution, all revenues and receipts from rents, fees, charges, or income from any source received or accruing to the Airport System shall be used exclusively by County for Airport System purposes as contemplated herein.

Passengers arriving at or departing from General Mitchell International Airport (GMIA) use a number of facilities constructed for that purpose: taxiways, ramps, runways, terminal buildings, baggage claim areas, and roadways. These facilities were all constructed using federal funds and airport "revenue and receipts" and are thus subject to the requirements of federal rules and regulations (including the County's grant assurances) and to the County's contractual obligations with the Signatory Airlines. Airport lease holders, including the airlines who serve GMIA, may complain that the County's failure to impose on off-airport operators a reasonable user fee violates the County's obligations under its lease and the federal grant assurances.

Chapter 114 of the Wisconsin Statutes provides the source for the County's authority to regulate operations at GMIA. WSA §114.14(1) provides that the "County may adopt regulations, and establish fees or charges for the use of [its] airport." (emphasis added). The Wisconsin Supreme Court has long recognized that this direct statutory authority provides the

County with the "exclusive right to manage [GMIA], including the right to regulate the ground transportation . . . furnished to airline passengers arriving at and departing from [GMIA]."

Milwaukee County v. Town of Lake, 48 NW 2d 1 (1951).

**I. THE PROPOSED FEES CANNOT BE CHARACTERIZED AS TAXES.**

Municipalities act in both governmental and proprietary capacities. When municipalities act in a proprietary capacity, they act as a private corporation. Charges imposed by municipalities acting in a proprietary capacity are fees and cannot be characterized as taxes. Wisconsin and other courts have held that when a municipality operates an airport, it is acting in a proprietary capacity. Consequently, the proposed fees imposed in the context of the County's operation of the airport cannot be characterized as taxes. The County's federal regulatory and contractual obligations to use all revenue for airport purposes further precludes the characterization of airport fees as taxes.

Case law defines a fee as a charge imposed by a municipality for the funding of a particular service or the maintenance and operation of a particular facility - such as an airport. A tax, on the other hand, is the assessment of monies for application to a general revenue fund - such as the general fund that supports all government operations. The courts in the several jurisdictions that have addressed this issue have

recognized this distinction and have concluded that fees imposed by airports cannot be characterized as taxes. This conclusion is based in large part on the federal requirement that all airport revenue must be used for airport purposes. In other words, if airport revenue cannot be diverted to a general fund, it cannot be characterized as a tax.

## **II. THE PROPOSED FEES ARE REASONABLE.**

Even if the proposed charges are fees and cannot be characterized as taxes, they still must bear a reasonable relationship to the services and facilities they support. In this instance, the relationship between the proposed fees and the airport services and the facilities they support is transparent.

There are at least two possible justifications for the proposed fees. First, the proposed fees are necessary to recoup the costs associated with the specific rights-of-way used by the off-airport shuttles and all of the related costs for their construction, maintenance, and operations. Second, the charges are necessary to recoup the costs associated with the shuttles' use of the entire airport.

The memoranda submitted in support of the proposed fees demonstrate adequately the costs of the specific airport facilities and services used by the off-airport shuttle operators. Those costs are significantly larger than the revenue that would

be generated by the proposed fees. Courts that have addressed this issue, however, have concluded that fees imposed on off-airport commercial operators need not be limited but may be based on costs associated with the entire airport. This is because the off-airport commercial operators actually "use" the entirety of the airport rather than the limited rights-of-way they travel upon. This conclusion is based on the theory that the very existence of the off-airport operators is wholly dependent on the market created by the airport and its passengers. Consequently, the off-airport commercial operators may be required to share in supporting the entire airport facility - as well as its construction, maintenance and operation - which they are dependent upon. Accordingly, regardless of the measure that is used, there exists a reasonable relationship between the proposed fees and the facilities, services, and operations that they are being asked to support.

**III. THE PROPOSED FEES ARE NOT TRAFFIC REGULATIONS AND EVEN IF THEY ARE, THEY ARE SPECIFICALLY AUTHORIZED BY STATUTE.**

WSA §349.03(1) establishes uniform traffic regulations throughout the state. The benefits of such a uniform system of regulation are obvious where highways and through streets are at issue. Those benefits are not so obvious where access roads and rights-of-way are involved. Accordingly, §349.03(1)(b) contains

an exception that allows for municipal traffic regulations where another statute specifically authorizes municipal action.

Access to GMIA is had by a number of rights-of-way that are neither highways nor through streets; nor have these rights-of-way been dedicated. Because these rights-of-way merely provide access to a county-owned and -operated facility, they may not be considered highways or roadways subject to the requirements of §349.03(1). Still further, the proposed fees cannot conflict with §349.03(1) because the proposed fees are not traffic regulations within the meaning of that section. The proposed fees do not regulate traffic; rather, as explained above, they merely assess a fee for the commercial use of a county facility.

Even if the airport rights-of-way could be considered highways or roadways subject to §349.03(1) and even if the proposed fees could be characterized as a traffic regulation within the meaning of that section, the proposed fees would still be legitimate because they are specifically authorized by another statutory section - §114.14(1). WSA §114.14(1) specifically provides that the "county may adopt regulations, and establish fees or charges for the use of [its] airport" (emphasis added). The Wisconsin Supreme Court has found that this specific delegation of statutory authority provides the County with the "exclusive right to manage [GMIA], including the right to regulate the ground transportation . . . furnished to

airline passengers arriving and departing from [GMIA].”

Milwaukee County v. Town of Lake, 48 N.W.2d 1(1951). This authority to regulate extends to all matters affecting the use of the airport. Id. at 11-12. Accordingly, the proposed fees are not in conflict with the requirements of WSA § 349.03.

**IV. THE PROPOSED FEES DO NOT DISCRIMINATE AGAINST THE VARIOUS CLASSES OF OFF-AIRPORT COMMERCIAL OPERATORS.**

Equal protection of the laws requires that the County treat similarly situated classes in a similar manner. The committee has asked whether (for the purposes of the proposed fee) off-airport parking operators are similarly situated to other off-airport commercial operators such as hotels, restaurants, and gas stations. The short answer is that they are not. Courts have concluded that different kinds of off-airport commercial operators are not similarly situated because their business operations are different. E.g., Alamo Rent-A-Car v. Sarasota Airport Auth., 825 F.2d 367, 370 (CA 11 1987); All Right Colorado, Inc. v. City of Denver, 937 F.2d 1502, 1512 (CA 10 1991).

Even if these off-airport commercial operations did not have materially different business operations, equal protection would only require that the County Board have some rational basis for treating them differently. Id. That test is easily satisfied because this committee could reasonably believe that

each group of off-airport commercial operators receives a discreet set of benefits from the existence and operation of the airport, their use of the airport, and that any vehicle operated on airport rights-of-way may obtain a specific and distinct benefit from such use. Accordingly, the proposed fees are not irrational in their application and will likely survive an equal protection challenge.

V. THE PROPOSED FEES DO NOT DEPRIVE OFF-AIRPORT COMMERCIAL OPERATORS OF THE EQUAL AND UNIFORM USE OF THE AIRPORT.

The committee has asked whether the Wisconsin Supreme Court's decision in Williams v. Milwaukee County, 301 Wis.2d 134(2006) affects the validity of the proposed fees. That case was decided under different facts and does not preclude the proposed fees.

Williams involved a challenge to a Milwaukee County Ordinance that forbade non-permitted taxicabs from picking up "pre-arranged" fares at the passenger loading area at GMIA. As the committee knows, Milwaukee County General Ordinance 4.05 allows only permitted taxicabs to pick up fares at GMIA. The taxicabs at issue in Williams sought to provide services similar to limousines in which passengers called the taxicab company and arranged for a passenger pick-up for a specified time at a specified fee and were met by a taxicab at the curb when they arrived. Milwaukee County issued citations for these hybrid

activities because it perceived them as the actions of non-permitted taxicabs in violation of Milwaukee County General Ordinance 4.05 and because the taxicabs never requested to provide services as limousines. Consequently, these taxicabs were forbidden from providing these hybrid services at GMIA.

The Williams court disagreed and held that Milwaukee County could not foreclose completely and without justification the hybrid services that the taxicabs wished to provide. Williams does not stand for the rule that the County may not charge a fee for commercial operations at GMIA. In fact, the court recognized and reaffirmed the County's authority to regulate ground transportation at GMIA.

The off-airport shuttle fees proposed in this instance do not, as in Williams, foreclose completely the opportunity to provide any commercial activity at GMIA. No off-airport shuttles are excluded from providing a commercial operation at GMIA. Instead, off-airport shuttles are required to pay a fee for providing a service that makes use of the airport's facilities and markets services to airport passengers - services that would not otherwise be provided in the absence of the airport or its passengers. Although the proposed fee would be charged when off-airport shuttles use airport rights-of-way, the fee is optional because the commercial operators may decide on the frequency of their trips on airport rights-of-way or whether

to serve airport customers at all. Accordingly, the Williams case has no application to the fees proposed by airport staff.



---

TIMOTHY R. KARASKIEWICZ  
Principal Assistant Corporation Counsel

L:\Users\TKARASK\GMIA\Memos\Opinions Memos\Off Airport Memo Final.doc

**COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION**

**DATE:** March 17, 2011

**TO:** Lee Holloway, Chairperson, County Board of Supervisors  
Michael Mayo, Sr., Chairman, Transportation, Public Works & Transit Committee

**FROM:** Jack Takerian, Director of Transportation & Public Works

**SUBJECT:** **ESTABLISHMENT OF A FEE STRUCTURE IN MILWAUKEE COUNTY  
ORDINANCE 4.05 FOR COURTESY VEHICLES AT GENERAL MITCHELL  
INTERNATIONAL AIRPORT TO REGULATE COMMERCIAL CURBSIDE –  
REPORT #2**

**POLICY**

Amendments to County Ordinances require County Board approval.

**BACKGROUND**

Attached is the February 9<sup>th</sup> committee report, which recommended amending the County Ordinance to establish fees for the courtesy shuttles using General Mitchell International Airport (GMIA).

This item was laid over at the March Transportation, Public Works & Transit Committee meeting to receive a legal opinion from Corporation Counsel.

**ADDITIONAL INFORMATION**

The baggage claim road is the most constrained part of the airport system. It is very undersized for the amount of traffic that uses our airport. The ordinance will help regulate the use of the baggage claim roadway and will mitigate congestion.

Summary of costs to maintain front drives:

**Cost of the Front Drives**

Front Drive Pavement-Annual Maintenance Expenses  
 (Does not include capital improvement costs)

<b>Task</b>	<b>Frequency</b>		<b>Totals</b>
<b>Snow Plowing/salting</b>	20 times annually Average 10 hours/event	\$	<b>63,420</b>
<b>Street Sweeping</b>	100 times annually Average 6 hours/event	\$	<b>84,708</b>
<b>Striping</b>	2 times annually 12 hours/event/crew of 4	\$	<b>4,452</b>
<b>Pavement Repair</b>	as needed	\$	<b>16,000</b>
<b>Sheriff coverage of driveways</b>	39 hours per day 14,235 hours annually management of ground	\$	<b>953,176</b>
<b>CPS</b>	transportation	\$	<b>192,000</b>
<b>Lighting</b>	electricity & bulb replacement costs	\$	<b>94,000</b>
<b>Total Annual Expense</b>			<b>\$ 1,407,755</b>

Approved by:

\_\_\_\_\_  
 Jack H. Takerian, Director  
 Transportation & Public Works

\_\_\_\_\_  
 C Barry Bateman  
 Airport Director

**COUNTY OF MILWAUKEE  
INTER-OFFICE COMMUNICATION**

**15**

**DATE:** February 9, 2011

**TO:** Lee Holloway, Chairman, County Board of Supervisors  
Michael Mayo, Sr., Chairman, Transportation, Public Works & Transit Committee

**FROM:** Jack H. Takerian, Director of Transportation & Public Works

**SUBJECT:** **ESTABLISHMENT OF A FEE STRUCTURE IN MILWAUKEE COUNTY  
ORDINANCE 4.05 FOR COURTESY VEHICLES AT GENERAL MITCHELL  
INTERNATIONAL AIRPORT TO REGULATE COMMERCIAL CURBSIDE**

**POLICY**

Amendments to County Ordinances require County Board approval.

**BACKGROUND**

County Ordinance 4.05 defines "Courtesy Vehicle" as those vehicle(s) operated to and from General Mitchell International Airport incident to revenue-producing commercial or private activities of hotels, motels, parking lots or automobile rental offices or facilities located off of airport premises and not under contract at the airport. Courtesy Vehicles must be owned and operated by the specific company transporting its patron(s), without cost to its patron(s), and must be clearly indentified with its company name painted on both exterior sides of each vehicle(s).

Over the past year there has been a significant increase in passenger traffic at General Mitchell International Airport (GMIA), which has translated into a significant increase in passenger and vehicle traffic at the commercial curbside. Ground Transportation Coordinators have observed and informed Airport Staff of problems accommodating Hotel Courtesy Vehicles as well as Off-Airport Parking Courtesy Vehicles in the limited curb frontage that the Airport has to service these vehicles. The Airport is limited to 148 feet of curb space to accommodate the parking requirements of fifty-four (54) hotels operating sixty-three (63) Courtesy Vehicles and three (3) off-airport commercial parking lots operating twelve (12) Courtesy Vehicles (see Attachment 1). Our observation of the operations in this area has led Airport Staff to conclude that significant problems stem from the large number of Courtesy Vehicles using the curbside and the amount of time that some of those vehicles spend parked at the curbside.

In order to obtain a better understanding of the problem, Airport Staff commissioned a survey to count hotel and off-airport parking Courtesy Vehicle trips daily as well as the dwell time of every Courtesy Vehicle over a thirty (30) day period. The results of that survey are as follows:

	Hotel Courtesy Vehicles	Off-Airport Parking Courtesy Vehicles
Trips per day (avg.)	199.8	266.2
Minutes per trip at curb (avg.)	7.5	5.5
Total # of trips (30-day period)	5,995	7,987
Total # of hours (30-day period)	749.3	732.1

The volume and duration of Courtesy Vehicle traffic present an access problem at the curbside. Airport Staff has also found that in the past five (5) years there have been fourteen (14) hotels/motels built within five (5) miles of the Airport. Most of these establishments offer transportation to and from GMIA. A number of new hotels are planned to be constructed in the area with plans for additional off-airport parking operations.

The 2010 Airport Ground Transportation Association Survey shows that many of the nation's airports have installed Automated Vehicle Identification (AVI) Systems that require courtesy vehicles to pay a use fee as well as dwell time fees as a method for regulating and relieving traffic congestion at their curbsides. Airports have found that when hotels and parking companies are charged use and dwell time fees, both the number of trips into an airport and the duration of those trips are reduced, thus creating less congestion at the curbside. Airports have various ways in which they assess and record fees. Few airports, however, have the same fee structure. Figures 1 thru 5 are examples of fees at airports of similar size to GMIA.

An AVI system works on a simple design with sensors installed at specific locations that read Radio Frequency Identification Device (RFID) tags that are attached to vehicles. The sensors read and identify vehicles as they enter and exit a specified area. The computer software managing the AVI system allows rates and charges to be adjusted as required to provide the desired effect on governance and control of vehicle operations. The most recognizable example of an AVI system in the area is the Illinois Tollway Express Lanes. In addition, by allowing the installation of a full AVI system at GMIA, Airport Staff would be able to make incremental changes to use and dwell time fees in order to better use the commercial curb space and monitor revenue more efficiently with no increase in manpower requirements.

Fees and charges for operating a Courtesy Car at General Mitchell International Airport will consist of the current \$500.00 permit fee per vehicle, per year. Each Courtesy Car Operator will be required to purchase a Radio Frequency Device (RFID) at a cost of \$30.00 each per vehicle per year. User Fees will be \$2.00 per trip onto the Baggage Claim Roadway. Any vehicle that dwells on the Baggage Claim Roadway for more than ten (10) minutes shall be charged twenty-five cents (\$.25) and fifteen cents (\$.15) for each three (3) minute increment thereafter. Any Courtesy Vehicle found attempting to pick up passengers in an area other than the area designated by the Airport Director shall be fined one hundred dollars (\$100.00) per occurrence. Any Courtesy Car caught making route deviations to circumvent detection by AVI equipment shall be fined one hundred dollars (\$100.00) per occurrence.

The Airport Director shall be permitted to adjust user fees in twenty-five cent (\$.25) increments and dwell time fees in five cent (\$.05) increments to regulate curb space utilization in the Courtesy Car parking area.

On February 8, 2011, Airport staff met with the operators of hotel/motel courtesy vehicles to review the proposed ordinance and receive input and answer any questions about the proposal. As a result of the meeting, Airport staff has modified its original proposal to include the following comments by the operators:

1. The operators requested that the ordinance effective date be delayed. The reason for this was that some of the shuttle operations are for airline crews, the costs of which have been previously negotiated, and the trip and dwell fees were not included in their cost proposal. Airport staff has modified the ordinance to be effective in one year.
2. The operators suggested that terminal road circulations and dwells could be mitigated if a holding area was provided. Airport staff agrees, and will develop a holding area for the shuttles over the next year.
3. The operators requested an extension to the initial 10-minute dwell time. Airport staff has modified the ordinance to a 15-minute initial "free" dwell time.

### **RECOMMENDATION**

Airport staff recommends amending County Ordinance 4.05 to establish an AVI fee structure for Courtesy Vehicles that pick up arriving passengers at GMIA.

### **FISCAL NOTE**

An estimated \$180,000 will be generated by courtesy vehicle fees.

Prepared by: John V. Moore, Airport Operations Manager - Landside

Approved by:

  
\_\_\_\_\_  
Jack Takerian, Director  
Transportation and Public Works

  
\_\_\_\_\_  
C. Barry Bateman  
Airport Director

Figure 1

Airport Name: CMH\_Columbus Regional Airport Authority

Fees Paid:

On Airport Rental Car		Off Airport Rental Car	Off Airport Parking	Charter Buses	Limos	Shared Ride Vans		Taxicabs				Hotel/Motel Courtesy Vehicle Fees					
9.25% of gross	9% of gross	10% of gross				Fee	Single/Multiple companies?	Gate Fee	Annual Fee	Concession Fee	Open/Closed Entry?	Do you have A.V.I.	Flat Rate to Downtown	Access	Permit	Per Trip	Dwell Time
				\$10 per trip	\$3 per trip	\$3 per trip	<input type="checkbox"/> Single <input checked="" type="checkbox"/> Multiple	\$3 per trip	N/A	Annual Fee \$131,000  Additional monthly fee \$0.01 per depreciation after \$280,000	<input checked="" type="checkbox"/> Open <input type="checkbox"/> Closed	No	No Meter rates apply	AVI	Yes	\$3 per trip	No



Figure 2

Airport Name: IND\_Indianapolis International Airport Authority

Fees Paid:		Off Airport Rental Car	Off Airport Parking	Charter Buses	Limos	Shared Ride Vans		Taxicabs				Hotel/Motel Courtesy Vehicle Fees				
On Airport Rental Car	Off Airport Rental Car	Off Airport Parking	Charter Buses	Limos	Fee	Single/Multiple companies?	Gate Fee	Annual Fee	Concession Fee	Open/Closed Entry?	Do you have A.V.I	Flat Rate to Downtown	Access	Permit	Per Trip	Dwell Time
10% gross	10% gross	10% gross	\$10.50 / trip	\$6.00 / trip	\$1.95 / trip sedan; \$2.20 / trip limo; \$2.50 / van minibus	<input type="checkbox"/> Single <input type="checkbox"/> Multiple	\$1.00 / trip	\$ 500.00 / 6 months		<input type="checkbox"/> Open <input type="checkbox"/> Closed	yes			Annual \$2.50 / room \$210.00 / vehicle	No	No



Note:  
 Taxicab operator permit fee \$200.00 / quarter.  
 Personal pick up fee for taxi operators without a permit \$2.50 / trip.  
 Hotel / motel annual fee \$210.00 / vehicle and \$2.40 / room.

Figure 3

Airport Name: OAK\_Port Oakland International Airport

Fees Paid:		Off Airport Rental Car	Off Airport Parking	Charter Buses	Limos	Shared Ride Vans		Taxicabs						Hotel/Hotel Courtesy Vehicle Fees			
On Airport Rental Car	Off Airport Rental Car	Off Airport Parking	Charter Buses	Limos	Fee	Single/ Multiple companies?	Gate Fee	Annual Fee	Concession Fee	Open/Closed Entry?	Do you have A.V.I.	Fiat Rate to Downtown	Access	Permit	Per Trip	Dwell Time	
10% of monthly gross revenue	\$50.00 / vehicle transporter fee	\$500 annual permit fee	\$500 annual permit fee	\$500 annual permit fee	Door to door \$500 annual permit fee	X - Multiple	OAK doesn't have a gate fee	\$300 / per taxicab	\$0	X - Open	Yes	No	\$0	Yes \$500.00 annual permit fee	\$3.00 trip fee	load & unload only	
Perform -ance deposit 1/4 MAG	Greater of \$1,000 mo monthly gross revenue	Fee of 3% Gross Receipts for 09-10	\$50.00 / vehicle transporter fee	\$50 additional car for 6 or more vehicles	\$50.00 / vehicle transporter fee		Each Taxi company charges its drivers for the weekly lease of the taxicab in the range of \$200 - \$600 per week	\$50.00 / vehicle transporter fee						\$500 / security deposit			
\$10.00 CFC	MAG adjusted yearly amount equal to 85% of (MAG + percent) paid prior year	Access Receipts for 10-11	\$500 / security deposit \$3.00 / trip fee	\$500 / security deposit \$3.00 / trip fee	\$3.00 / trip fee		Taxicab \$3.00 / trip fee										
	\$7.00 CFC	Access Receipts for 11-12	\$360.00 flat rate for less than 120 trips per year														

Data as of: April 2010

AGTA 2010 Ground Transportation Vehicle Fees and Fares Survey

Figure 4

Airport Name: SAT\_San Antonio International Airport

Fees Paid:

On Airport Rental Car		Off Airport Rental Car	Off Airport Parking	Charter Buses	Limos	Shared Ride Vans		Taxicabs				Hotel/Motel Courtesy Vehicle Fees					
Counter lease agreement	10% on first \$25,000.00 of revenue	8% annual exemption	8% 01/01/01-12/31/05; annual exempt	City permit \$400.00/vehicle/year < 15 passengers	City permit \$400.00/vehicle/year	Fee	Single/Multiple companies?	Gate Fee	Annual Fee	Concession Fee	Open/Closed Entry?	Do you have AVI?	Fiat Rate to Downtown	Access	Permit	Per Trip	Dwell Time
Counter lease agreement	10% on first \$25,000.00 of revenue	8% annual exemption	8% 01/01/01-12/31/05; annual exempt	City permit \$400.00/vehicle/year < 15 passengers	City permit \$400.00/vehicle/year	\$175,000.00 Minimum fee Or 15% gross revenue which ever is greater	<input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple	\$0.50 / trip	City permit \$400.00 annual fee / vehicle; Airport operation fee: \$150.00 annual fee / vehicle	N/A	<input checked="" type="checkbox"/> Open <input type="checkbox"/> Closed	YES		NO	NO	\$ 1.50	NO

Data as of: April 2010

AGTA 2010 Ground Transportation Vehicle Fees and Fares Survey

Figure 5

Airport Name: SEA\_Seattle-Tacoma International Airport

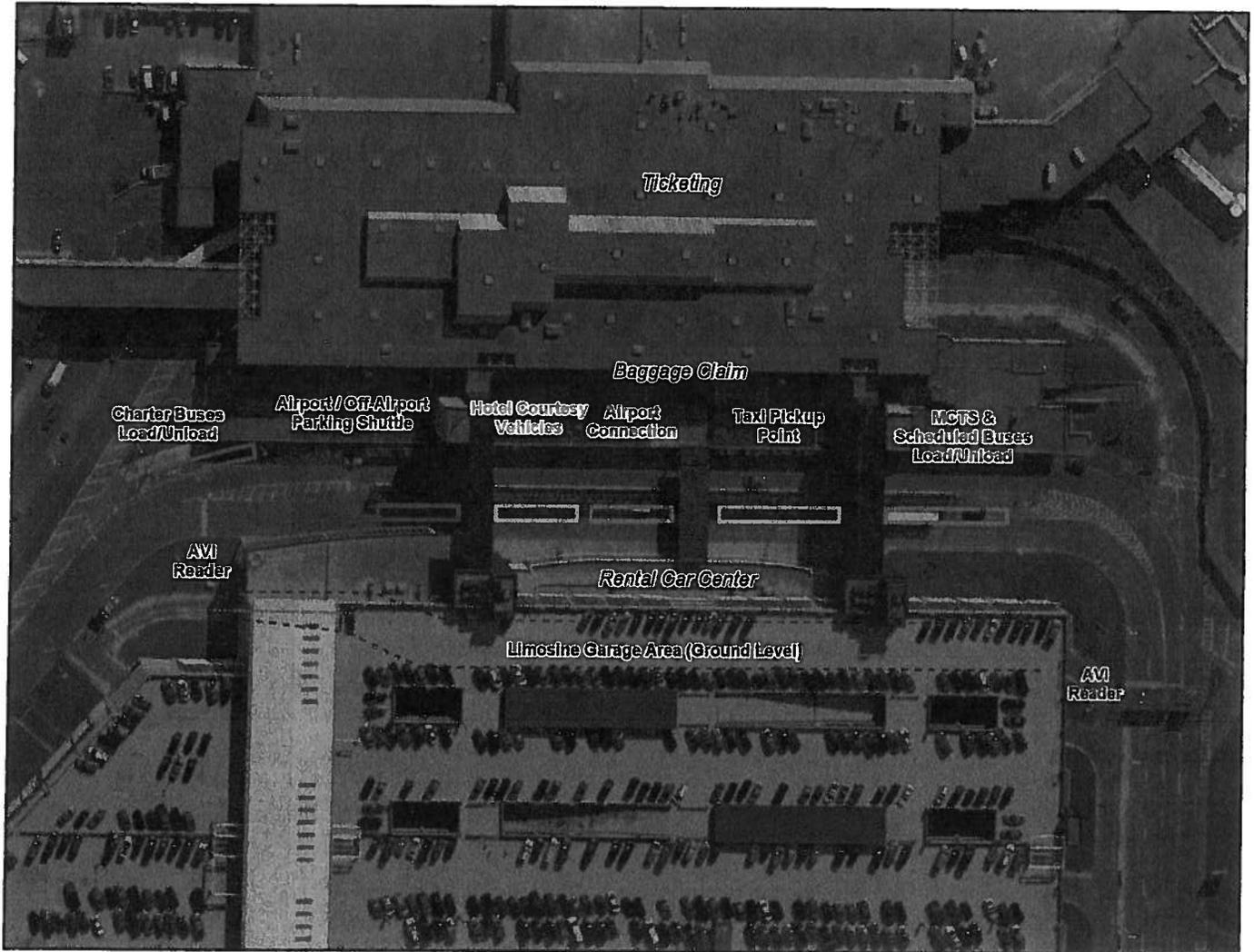
Fees Paid:

On Airport Rental Car	Off Airport Rental Car	Off Airport Parking	Charter Buses	Limos	Shared Ride Vans		Taxicabs					Hotel/Motel Courtesy Vehicle Fees			
					Fee	Single/Multiple companies?	Annual Fee	Concession Fee	Open/Closed Entry?	Do you have A.V.I.	Fiat Rate to Downtown	Access	Permit	Per Trip	Dwell Time
10% gross revenues	4% gross revenues plus courtesy vehicle per trip fee 2.11	Per Trip Fee 2.11	Per Trip Fee 11.54	On-Demand 0% gross revenue or MAC Pre-arranged: \$242 Annual Permit Fee	Per Trip Fee 2.90	<input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple	NA	NA (will commence September 2010) 13% gross revenues	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Closed	Yes	No			2.11	

Data as of: April 2010

AGTA 2010 Ground Transportation Vehicle Fees and Fares Survey

Attachment 1



H:\Private\Clerk Typist\Aa01\TPW&T 1\REPORT - Courtesy Vehicle Ordinance Change.doc

(Item ) From the Director of Transportation & Public Works requesting the amendment of Section 4.05.04 of the Milwaukee County Code of General Ordinances, to establish a fee structure for courtesy vehicles to regulate commercial curbside operations at General Mitchell International Airport, by recommending adoption of the following:

**RESOLUTION/ORDINANCE**

WHEREAS, County Ordinance 4.05.04 defines “Courtesy Vehicle” as those vehicle(s) operated to and from General Mitchell International Airport incident to revenue-producing commercial or private activities of hotels, motels, parking lots or automobile rental offices or facilities located off of airport premises and not under contract at the airport. Courtesy Vehicles must be owned and operated by the specific company transporting its patron(s), without cost to its patron(s), and must be clearly identified with its company name painted on both exterior sides of each vehicle(s); and

WHEREAS, over the past year there has been a significant increase in passenger traffic at General Mitchell International Airport (GMIA), which has translated into a significant increase in passenger and vehicle traffic at the commercial curbside; and

WHEREAS, the Airport is limited to 148 feet of curb space to accommodate the parking requirements of fifty-four (54) hotels operating sixty-three (63) Courtesy Vehicles and three (3) off-airport commercial parking lots operating twelve (12) Courtesy Vehicles; and

WHEREAS, Airport staff’s observation of the operations in this area has led Airport Staff to conclude that significant problems stem from the large number of Courtesy Vehicles using the curbside and the amount of time that some of those vehicles spend parked at the curbside; and

WHEREAS, the volume and duration of Courtesy Vehicle traffic present an access problem at the curbside; and

WHEREAS, Airport Staff has also found that in the past five (5) years there have been fourteen (14) hotels/motels built within five (5) miles of the Airport, most of which offer transportation to and from GMIA. A number of new hotels are planned to be constructed in the area with plans for additional off-airport parking operations; and

WHEREAS, the 2010 Airport Ground Transportation Association Survey shows that many of the nation’s airports have installed Automated Vehicle Identification (AVI) Systems that require courtesy vehicles to pay a use fee as well as dwell time fees as a method for regulating and relieving traffic congestion at their curbsides. Airports have

47 found that when hotels and parking companies are charged use and dwell time fees,  
48 both the number of trips into an airport and the duration of those trips are reduced, thus  
49 creating less congestion at the curbside; and  
50

51 WHEREAS, by allowing the installation of a full AVI system at GMIA, Airport Staff  
52 would be able to make incremental changes to use and dwell time fees in order to better  
53 use the commercial curb space and monitor revenue more efficiently with no increase in  
54 manpower requirements and  
55

56 WHEREAS, the Transportation, Public Works and Transit Committee, at its  
57 meeting of March 2, 2011, recommended approval (vote \_\_\_\_\_) of the request to  
58 amend Section 4.05.04 of the Milwaukee County Code of General Ordinances, to  
59 establish a fee structure for courtesy vehicles to regulate commercial curbside  
60 operations at General Mitchell International Airport, now therefore,  
61

62 BE IT RESOLVED, that the Director of Transportation and Public Works and the  
63 Airport Director are hereby authorized to amend Section 4.05.04 of the Milwaukee  
64 County Code of General Ordinances, to establish a fee structure for courtesy vehicles to  
65 regulate commercial curbside operations at General Mitchell International Airport, with  
66 such amendments to become effective one year from passage:  
67

#### 68 **AN ORDINANCE**

69  
70 To amend Section 4.05.04 of the General Ordinances of Milwaukee County,  
71 relating to Courtesy Cars at County Airports.  
72

73 **SECTION 1.** Section 4.05.04 of the General Ordinances of Milwaukee County, is  
74 hereby revised to read:  
75

#### 76 **4.05.04. Courtesy cars.**

77  
78 (1) *Definition.* "Courtesy car," under this section, means those vehicle(s)  
79 operated to and from General Mitchell International Airport as an incident to  
80 revenue producing commercial or private activities of hotels, motels, parking lots  
81 or automobile rental offices or facilities located off of airport premises and not  
82 under contract at the airport. Courtesy car(s) must be owned and operated by the  
83 specific company transporting its patron(s), without cost to its patron(s), and must  
84 be clearly identified with company name painted on both exterior sides of each  
85 vehicle(s).  
86

87 (2) *Licenses, permits, fees.*  
88

89 (a) All applications for courtesy car permit(s) shall be made to the airport  
90 director and be accompanied by the payment of a nonrefundable  
91 application fee of twenty-five dollars (\$25.00). The annual permit fee shall  
92 be five hundred dollars (\$500.00) per vehicle for all courtesy cars except

93  
94  
95  
96  
97  
98  
99  
100  
101  
102  
103  
104  
105  
106  
107  
108  
109  
110  
111  
112  
113  
114  
115  
116  
117  
118  
119  
120  
121  
122  
123  
124  
125  
126  
127  
128  
129  
130  
131  
132  
133  
134  
135  
136  
137

those owned by an Off-Airport Car Rental Company which shall pay an annual permit fee of one hundred fifty dollars (\$150.00) per vehicle. The fee for permits applied for after April 1 of any year shall be prorated for the remaining portion of that year. Payment of the fee shall be made to the airport director who will then issue a decal for each vehicle. The Decal shall be mounted on the inside lower left-hand corner of the windshield, the left-hand corner being on the driver's left when seated behind the wheel. This permit shall be issued for each vehicle and is not transferable to any other vehicle. If a vehicle is replaced, which has previously been permitted, the permit shall be cancelled and application shall be made to the airport director for a replacement permit at an additional fee of ten dollars (\$10.00).

(b) In addition to purchasing and displaying an airport courtesy car permit, all courtesy cars shall purchase one (1) Radio Frequency Identification Device (RFID) tag in the amount of thirty dollars (\$30.00) per vehicle, to be displayed in an area of the vehicle that is easily read by Airport Automated Vehicle Identification System (AVI) Equipment. Having purchased and installed the hang tag an operator can only pick up in the area designated by the airport director or his designated representative. All courtesy cars shall be charged a user fee of \$2.00 per circuit through the baggage claim drive. Any vehicle that dwells on the baggage claim roadway for more than fifteen (15) minutes shall be subject to the following charges: Twenty-five cents (.25) for the first fifteen (15) minutes and fifteen cents (.15) for each three (3) minute increment thereafter.

(c) Any hotel courtesy or off-airport parking shuttle vehicle operator found picking up patrons in an area other than the area designated by the airport director or his designated representative for such activity shall be fined one hundred dollars (\$100.00) per occurrence. Any hotel or off-airport parking vehicle operator caught making any route deviations to circumvent detection by AVI equipment shall be fined one hundred dollars (\$100.00) per occurrence.

(d) Non payment of the above fines within thirty (30) days of said fine will result in the deactivation of the assigned AVI tag. The offending company shall be notified by certified mail of the AVI tag deactivation within two (2) working days of said action. Once a hang tag has been deactivated it shall not be reactivated for a period of fifteen (15) working days. When notified of the deactivation the offending company shall not make any passenger pickups on airport property until AVI tag(s) have been reactivated. If the offending company continues to operate after hang tag deactivation the company's courtesy car operating permit(s) to operate an airport courtesy car on airport premises shall be revoked for a period of one (1) year.

138  
139  
140  
141  
142  
143  
144  
145  
146  
147  
148  
149  
150  
151  
152  
153  
154  
155  
156  
157  
158  
159  
160  
161  
162  
163  
164  
165  
166

(e) The airport director shall be permitted to adjust user fees in twenty-five (25) cent increments and dwell time fees in five (5) cent increments to regulate curb space utilization in the Hotel and Off-Airport Courtesy Car parking area. Rate increases cannot exceed seventy-five (75) cents in a twelve (12) month period without County Board Approval.

(bf) Any person or business entity who is not in possession of the necessary licenses, or permits, or RFID tags required under this section or by any other law, rule, or regulation, or any operator of a courtesy car(s), and who operates at General Mitchell International Airport in such a manner as to constitute doing business, or who attempts to do business thereon shall, without limitation because of enumeration, be deemed to be in violation of chapter 4 of the Code and shall be subject to a fine or forfeiture for such violation in the amount of one hundred dollars (\$100.00) per occurrence.

(eg) The airport director may approve or deny any application for a permit as described in this subsection.

(dh) A temporary courtesy car permit, for a period not exceeding ten (10) days, may be issued by the airport director. The temporary airport permit fee shall be ten dollars (\$10.00). Said temporary permit cannot be renewed. All rights and privileges granted herein for the annual permit, being replaced by said temporary permit, shall be suspended for the duration of the temporary permit.

**SECTION 2.** This ordinance shall become effective one year from passage.

H:\Private\Clerk Typist\Aa01\TPW&T 11\Resolution - Ordinance Change Text to 4 05 04.doc

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** February 9, 2011

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT: ESTABLISHMENT OF A FEE STRUCTURE IN MILWAUKEE COUNTY  
ORDINANCE 4.05 FOR COURTESY VEHICLES AT GENERAL MITCHELL  
INTERNATIONAL AIRPORT TO REGULATE COMMERCIAL CURBSIDE**

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact  | <input type="checkbox"/> Increase Capital Expenditures |
| <input checked="" type="checkbox"/> Existing Staff Time Required                                       | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input checked="" type="checkbox"/> Absorbed Within Agency's Budget                                    | <input type="checkbox"/> Decrease Capital Revenues     |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget   |  |
| <input type="checkbox"/> Decrease Operating Expenditures   | <input type="checkbox"/> Use of Contingent Funds       |
| <input checked="" type="checkbox"/> Increase Operating Revenues  |  |
| <input type="checkbox"/> Decrease Operating Revenues   |  |

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	\$200,000	0
	Revenue	\$200,000	0
	Net Cost	0	0
<b>Capital Improvement Budget</b>	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

*An estimated \$180,000 per year will be generated by courtesy vehicle fees. The initial cost of the system is estimated at \$200,000.*

Department/Prepared by: John V. Moore, Airport Operations Manager - Landside

Authorized Signature \_\_\_\_\_

Did DAS-Fiscal Staff Review?        Yes        No  
Reviewed by:

H:\Private\Clerk Typist\Aa01\TPW&T 11\FISCAL NOTE - Courtesy Vehicle Ordinance Change.doc

---

<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

**MILWAUKEE COUNTY  
INTER-OFFICE MEMORANDUM**

TO: Michael Mayo, Sr.  
Chair, Transportation, Public Works and Transit Committee

FROM: Timothy R. Karaskiewicz  
Principal Assistant Corporation Counsel

DATE: March 30, 2011

RE: Proposed Off-Airport Privilege Fee and Courtesy Vehicle  
Fee Structure File Nos. 11-102 and 11-92

The following issues have been referred to this office for opinion and comment: whether the proposed off-airport privilege fee and courtesy vehicle fee structure:

- 1) Are improper restrictions on the free use of a public road in violation of WSA §349.03;
- 2) Constitute a violation of WSA §114.14(3)(b)(1) because they deprive the public of the equal and uniform use of the airport;
- 3) Are an impermissible tax rather than a user fee;
- 4) Demonstrate a rational relationship between the application of the proposed fee and airport congestion and reimbursement for airport costs and expenses; or
- 5) Improperly discriminate between different classes of parking operators (public and private) and off-airport business operators (such as hotels, gas stations, and restaurants).

**STATUTORY, REGULATORY, AND CONTRACTUAL CONTEXT**

Airport sponsors are under a continuing obligation to follow various federal and state rules, regulations and statutes. In addition, as part of each federal grant airport sponsors are required to make certain assurances and promises. Thus, airport sponsors assure the federal government that, as a condition of accepting federal grants, the airport sponsor will:

- 1) use all revenue derived from airport property for the operation, maintenance, and development of the airport and
- 2) maintain an airport fee and rental structure for use of airport facilities and services that will make the airport as self-sustaining as possible.

Airport sponsors are also obligated to carry out all of these assurances without unjustly discriminating among users of the airport. The failure or refusal to apply fees equally and reasonably among airport users may constitute a form of unjust discrimination. Milwaukee County has accepted federal grants and is bound by these grant assurances. *FAA Airport Compliance Manual* 5190.6B (2010). The County has similar contractual obligations to its airport tenants, most notably the signatory airlines. Thus, the Signatory Airline Lease prohibits the County from diverting airport revenue for purposes other than airport maintenance and operation, and capital development.

**Section 515      Commitment of Airport Revenues**

County hereby covenants and agrees that insofar as legally permitted to do so under federal and state law and the Bond Resolution, all revenues and receipts from rents, fees, charges, or income from any source received or accruing to the Airport System shall be used exclusively by County for Airport System purposes as contemplated herein.

Passengers arriving at or departing from General Mitchell International Airport (GMIA) use a number of facilities constructed for that purpose: taxiways, ramps, runways, terminal buildings, baggage claim areas, and roadways. These facilities were all constructed using federal funds and airport "revenue and receipts" and are thus subject to the requirements of federal rules and regulations (including the County's grant assurances) and to the County's contractual obligations with the Signatory Airlines. Airport lease holders, including the airlines who serve GMIA, may complain that the County's failure to impose on off-airport operators a reasonable user fee violates the County's obligations under its lease and the federal grant assurances.

Chapter 114 of the Wisconsin Statutes provides the source for the County's authority to regulate operations at GMIA. WSA §114.14(1) provides that the "County may adopt regulations, and establish fees or charges for the use of [its] airport." (emphasis added). The Wisconsin Supreme Court has long recognized that this direct statutory authority provides the

County with the "exclusive right to manage [GMIA], including the right to regulate the ground transportation . . . furnished to airline passengers arriving at and departing from [GMIA]."

Milwaukee County v. Town of Lake, 48 NW 2d 1 (1951).

**I. THE PROPOSED FEES CANNOT BE CHARACTERIZED AS TAXES.**

Municipalities act in both governmental and proprietary capacities. When municipalities act in a proprietary capacity, they act as a private corporation. Charges imposed by municipalities acting in a proprietary capacity are fees and cannot be characterized as taxes. Wisconsin and other courts have held that when a municipality operates an airport, it is acting in a proprietary capacity. Consequently, the proposed fees imposed in the context of the County's operation of the airport cannot be characterized as taxes. The County's federal regulatory and contractual obligations to use all revenue for airport purposes further precludes the characterization of airport fees as taxes.

Case law defines a fee as a charge imposed by a municipality for the funding of a particular service or the maintenance and operation of a particular facility - such as an airport. A tax, on the other hand, is the assessment of monies for application to a general revenue fund - such as the general fund that supports all government operations. The courts in the several jurisdictions that have addressed this issue have

recognized this distinction and have concluded that fees imposed by airports cannot be characterized as taxes. This conclusion is based in large part on the federal requirement that all airport revenue must be used for airport purposes. In other words, if airport revenue cannot be diverted to a general fund, it cannot be characterized as a tax.

## **II. THE PROPOSED FEES ARE REASONABLE.**

Even if the proposed charges are fees and cannot be characterized as taxes, they still must bear a reasonable relationship to the services and facilities they support. In this instance, the relationship between the proposed fees and the airport services and the facilities they support is transparent.

There are at least two possible justifications for the proposed fees. First, the proposed fees are necessary to recoup the costs associated with the specific rights-of-way used by the off-airport shuttles and all of the related costs for their construction, maintenance, and operations. Second, the charges are necessary to recoup the costs associated with the shuttles' use of the entire airport.

The memoranda submitted in support of the proposed fees demonstrate adequately the costs of the specific airport facilities and services used by the off-airport shuttle operators. Those costs are significantly larger than the revenue that would

be generated by the proposed fees. Courts that have addressed this issue, however, have concluded that fees imposed on off-airport commercial operators need not be limited but may be based on costs associated with the entire airport. This is because the off-airport commercial operators actually "use" the entirety of the airport rather than the limited rights-of-way they travel upon. This conclusion is based on the theory that the very existence of the off-airport operators is wholly dependent on the market created by the airport and its passengers. Consequently, the off-airport commercial operators may be required to share in supporting the entire airport facility - as well as its construction, maintenance and operation - which they are dependent upon. Accordingly, regardless of the measure that is used, there exists a reasonable relationship between the proposed fees and the facilities, services, and operations that they are being asked to support.

**III. THE PROPOSED FEES ARE NOT TRAFFIC REGULATIONS AND EVEN IF THEY ARE, THEY ARE SPECIFICALLY AUTHORIZED BY STATUTE.**

WSA §349.03(1) establishes uniform traffic regulations throughout the state. The benefits of such a uniform system of regulation are obvious where highways and through streets are at issue. Those benefits are not so obvious where access roads and rights-of-way are involved. Accordingly, §349.03(1)(b) contains

an exception that allows for municipal traffic regulations where another statute specifically authorizes municipal action.

Access to GMIA is had by a number of rights-of-way that are neither highways nor through streets; nor have these rights-of-way been dedicated. Because these rights-of-way merely provide access to a county-owned and -operated facility, they may not be considered highways or roadways subject to the requirements of §349.03(1). Still further, the proposed fees cannot conflict with §349.03(1) because the proposed fees are not traffic regulations within the meaning of that section. The proposed fees do not regulate traffic; rather, as explained above, they merely assess a fee for the commercial use of a county facility.

Even if the airport rights-of-way could be considered highways or roadways subject to §349.03(1) and even if the proposed fees could be characterized as a traffic regulation within the meaning of that section, the proposed fees would still be legitimate because they are specifically authorized by another statutory section - §114.14(1). WSA §114.14(1) specifically provides that the "county may adopt regulations, and establish fees or charges for the use of [its] airport" (emphasis added). The Wisconsin Supreme Court has found that this specific delegation of statutory authority provides the County with the "exclusive right to manage [GMIA], including the right to regulate the ground transportation . . . furnished to

airline passengers arriving and departing from [GMIA]."

Milwaukee County v. Town of Lake, 48 N.W.2d 1(1951). This authority to regulate extends to all matters affecting the use of the airport. Id. at 11-12. Accordingly, the proposed fees are not in conflict with the requirements of WSA § 349.03.

**IV. THE PROPOSED FEES DO NOT DISCRIMINATE AGAINST THE VARIOUS CLASSES OF OFF-AIRPORT COMMERCIAL OPERATORS.**

Equal protection of the laws requires that the County treat similarly situated classes in a similar manner. The committee has asked whether (for the purposes of the proposed fee) off-airport parking operators are similarly situated to other off-airport commercial operators such as hotels, restaurants, and gas stations. The short answer is that they are not. Courts have concluded that different kinds of off-airport commercial operators are not similarly situated because their business operations are different. E.g., Alamo Rent-A-Car v. Sarasota Airport Auth., 825 F.2d 367, 370 (CA 11 1987); All Right Colorado, Inc. v. City of Denver, 937 F.2d 1502, 1512 (CA 10 1991).

Even if these off-airport commercial operations did not have materially different business operations, equal protection would only require that the County Board have some rational basis for treating them differently. Id. That test is easily satisfied because this committee could reasonably believe that

each group of off-airport commercial operators receives a discreet set of benefits from the existence and operation of the airport, their use of the airport, and that any vehicle operated on airport rights-of-way may obtain a specific and distinct benefit from such use. Accordingly, the proposed fees are not irrational in their application and will likely survive an equal protection challenge.

V. THE PROPOSED FEES DO NOT DEPRIVE OFF-AIRPORT COMMERCIAL OPERATORS OF THE EQUAL AND UNIFORM USE OF THE AIRPORT.

The committee has asked whether the Wisconsin Supreme Court's decision in Williams v. Milwaukee County, 301 Wis.2d 134(2006) affects the validity of the proposed fees. That case was decided under different facts and does not preclude the proposed fees.

Williams involved a challenge to a Milwaukee County Ordinance that forbade non-permitted taxicabs from picking up "pre-arranged" fares at the passenger loading area at GMIA. As the committee knows, Milwaukee County General Ordinance 4.05 allows only permitted taxicabs to pick up fares at GMIA. The taxicabs at issue in Williams sought to provide services similar to limousines in which passengers called the taxicab company and arranged for a passenger pick-up for a specified time at a specified fee and were met by a taxicab at the curb when they arrived. Milwaukee County issued citations for these hybrid

activities because it perceived them as the actions of non-permitted taxicabs in violation of Milwaukee County General Ordinance 4.05 and because the taxicabs never requested to provide services as limousines. Consequently, these taxicabs were forbidden from providing these hybrid services at GMIA.

The Williams court disagreed and held that Milwaukee County could not foreclose completely and without justification the hybrid services that the taxicabs wished to provide. Williams does not stand for the rule that the County may not charge a fee for commercial operations at GMIA. In fact, the court recognized and reaffirmed the County's authority to regulate ground transportation at GMIA.

The off-airport shuttle fees proposed in this instance do not, as in Williams, foreclose completely the opportunity to provide any commercial activity at GMIA. No off-airport shuttles are excluded from providing a commercial operation at GMIA. Instead, off-airport shuttles are required to pay a fee for providing a service that makes use of the airport's facilities and markets services to airport passengers - services that would not otherwise be provided in the absence of the airport or its passengers. Although the proposed fee would be charged when off-airport shuttles use airport rights-of-way, the fee is optional because the commercial operators may decide on the frequency of their trips on airport rights-of-way or whether

to serve airport customers at all. Accordingly, the Williams case has no application to the fees proposed by airport staff.



---

TIMOTHY R. KARASKIEWICZ  
Principal Assistant Corporation Counsel

L:\Users\TKARASK\GMIA\Memos\Opinions Memos\Off Airport Memo Final.doc

**COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION**

**11**

**DATE:** February 4, 2011

**TO:** Lee Holloway, Chairperson, Milwaukee County Board of Supervisors  
Michael Mayo, Sr., Chairperson, Transportation, Public Works & Transit Committee

**FROM:** Jack Takerian, Director of Transportation and Public Works

**SUBJECT:** **REQUEST FROM INTERFAITH CHAPEL OF MILWAUKEE TO CONSTRUCT, OPERATE, AND MAINTAIN A MEDITATION ROOM AT GENERAL MITCHELL INTERNATIONAL AIRPORT (GMIA)**

**POLICY**

County Board approval is required to enter into certain licenses at GMIA.

**BACKGROUND**

Interfaith Chapel of Milwaukee is requesting to construct, operate, and maintain a room to be used for private meditation for passengers, employees, and visitors to GMIA. The room may also be used for occasional services led by a religious leader. Interfaith Chapel of Milwaukee, Inc. is a 501 3 C organization. The firm of Plunkett Raysich Architects, LLP has been selected for the project by Interfaith Chapel. The proposed design is contemporary with no decor that represents any particular faith. The room will contain chairs and/or benches and an open area for those desiring to use prayer rugs.

Airport staff has identified approximately 900 square feet of space on the third level of the parking garage near the moving walkway as a possible site for this room.

**RECOMMENDATION**

Upon approval by the Milwaukee County Board and the County Executive, Milwaukee County Airport Division would issue a license to Interfaith Chapel of Milwaukee under standard terms and conditions for similar type of terminal building space development and space rental inclusive of the following:

1. The agreement shall be for a term of one (1) year, commencing April 1, 2011 and ending March 31, 2012 with subsequent renewals at the discretion of the Airport Director.
2. The charge associated with the approximate 900 square feet of space under license will be \$1.00 per year.
3. Interfaith Chapel of Milwaukee shall be responsible for the payment of all utilities associated with the meditation room.
4. All plans for constructing the space and space finishes will be subject to Airport Director approval.

5. Interfaith Chapel of Milwaukee shall be responsible for the maintenance of the meditation room, and shall provide insurance that may be required by the Milwaukee County Risk Manager.
6. The license is subject to review and approval by the Office of the Milwaukee County Corporation Counsel.

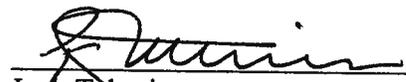
**FISCAL NOTE**

Airport building rental revenue will increase by \$1.00 per year.

Prepared by: Kathy Nelson, Airport Properties Manager

Approved by:

  
\_\_\_\_\_  
C. Barry Bateman  
Airport Director

  
\_\_\_\_\_  
Jack Takerian  
Director of Transportation and Public Works

H:\Private\Clerk Typist\Aa01\TPW&T 11\REPORT - Interfaith Chapel.doc

(ITEM) From the Director of Transportation and Public Works forwarding a request from Interfaith Chapel of Milwaukee to construct, operate, and maintain a meditation room at General Mitchell International Airport (GMIA) by recommending adoption of the following:

**A RESOLUTION**

WHEREAS, Interfaith Chapel of Milwaukee is requesting to construct, operate, and maintain a room used for private meditation for passengers, employees, and visitors to GMIA; and

WHEREAS, the room may also be used for occasional services led by a religious leader; and

WHEREAS, Airport staff has identified approximately 900 square feet of space on the third level of the parking garage near the moving walkway as a possible site for this room; and

WHEREAS, the Transportation, Public Works and Transit Committee, at its meeting on March 2, 2011, recommended approval (vote ) that the Airport Director issue a license to Interfaith Chapel of Milwaukee for the construction, operation, and maintenance of a meditation room at GMIA, now, therefore,

BE IT RESOLVED that the Airport Director is hereby authorized to issue a license to Interfaith Chapel of Milwaukee for the construction, operation, and maintenance of a meditation room at GMIA under standard terms and conditions for similar type of terminal building space development and space rental inclusive of the following:

1. The license shall be for a period of one (1) year, commencing April 1, 2011 and ending March 31, 2012 with subsequent renewals at the discretion of the Airport Director.
2. The charge associated with the approximate 900 square feet of space will be \$1.00 per year.
3. Interfaith Chapel of Milwaukee shall be responsible for the payment of all utilities associated with the meditation room.
4. All plans for constructing the space and space finishes will be subject to Airport Director approval.
5. Interfaith Chapel of Milwaukee shall be responsible for the maintenance of the meditation room, and shall provide insurance that may be required by the Milwaukee County Risk Manager.
6. The license is subject to review and approval by the Office of the Milwaukee County Corporation Counsel.

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** February 4, 2011

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** REQUEST FROM INTERFAITH CHAPEL OF MILWAUKEE TO CONSTRUCT, OPERATE, AND MAINTAIN A MEDITATION ROOM AT GENERAL MITCHELL INTERNATIONAL AIRPORT (GMIA)

**FISCAL EFFECT:**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact<br><input type="checkbox"/> Existing Staff Time Required<br><input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below)<br><input type="checkbox"/> Absorbed Within Agency's Budget<br><input type="checkbox"/> Not Absorbed Within Agency's Budget<br><input type="checkbox"/> Decrease Operating Expenditures<br><input type="checkbox"/> Increase Operating Revenues<br><input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures<br><input type="checkbox"/> Decrease Capital Expenditures<br><input type="checkbox"/> Increase Capital Revenues<br><input type="checkbox"/> Decrease Capital Revenues<br><input type="checkbox"/> Use of Contingent Funds |
|---|--|

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	Expenditure or Revenue Category	Current Year	Subsequent Year
<b>Operating Budget</b>	Expenditure	\$1.00	\$1.00
	Revenue	\$1.00	\$1.00
	Net Cost	0	0
<b>Capital Improvement Budget</b>	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

\*

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

The \$1.00 annual rent is a nominal rental charge to Interfaith Chapel of Milwaukee for the space due to the nature of its operation at GMIA.

Department/Prepared by: Kathy Nelson

Authorized Signature

  
\_\_\_\_\_

Did DAS-Fiscal Staff Review?  Yes  No  
Reviewed by:

H:\Private\Clerk Typist\Aa01\TPW&T 11\FISCAL NOTE - Interfaith Chapel.doc

<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

**COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION**

**DATE:** March 8, 2011

**TO:** Lee Holloway, Chairperson, Milwaukee County Board of Supervisors  
Michael Mayo, Sr., Chairperson, Transportation, Public Works & Transit Committee

**FROM:** Jack Takerian, Director of Transportation and Public Works

**SUBJECT:** **AMEND AIRPORT AGREEMENT NO. CN-1917 WITH HOST INTERNATIONAL, INC. AND AGREEMENT NO. CN-1906 WITH SSP AMERICA, INC. TO MODIFY CONCESSION MALL SPACE AT GENERAL MITCHELL INTERNATIONAL AIRPORT**

**POLICY**

County Board approval is required to amend concession agreements at General Mitchell International Airport (GMIA).

**BACKGROUND**

At its May 22, 2008 (File No. 07-283 (a)(b)) meeting the Milwaukee County Board of Supervisors authorized Milwaukee County to enter into an agreement with SSP America, Inc., for the operation of a food and beverage concession at GMIA under Official Notice No. 6292. Host was awarded Package A, and SSP America was awarded Packages B, C, D, and E as were contained in Official Notice No. 6292. At its March 18, 2010 meeting (File No. 07-283 (a)(k)) the Board authorized SSP America to move its burger facility from space 5CM in the Concession Mall by Concourse E to space 3CM in the center of the Concession Mall opposite the food court. SSP America had intended to use the 5CM space as a snack foods concept that was originally planned for space 3CM.

Host was awarded the large 2CM space adjacent to the 3CM space to develop a Miller Brew House restaurant/bar. In the process of finalizing plans for the Brew House, Host determined that additional seating was desired. The 3CM space was under lease to Host in the previous agreement between Milwaukee County and Host. Host is now requesting to add the 3CM space to its leasehold for additional bar/restaurant seating. SSP America has agreed to relinquish the 3CM space to Host.

**RECOMMENDATION**

Airport staff recommends that Airport Agreement No. CN-1906 between Milwaukee County and SSP America, Inc. be amended as follows.

1. Delete the Package B 3CM space Snack Foods concept that was contained in Official Notice No. 6292 and awarded to SSP.
2. Reduce the SSP America's minimum annual guarantee (MAG) from \$619,000 to \$614,000, which is the MAG associated with the 3CM space.

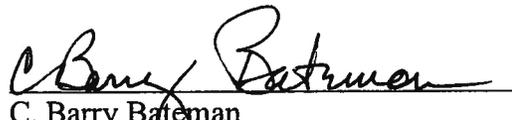
Airport staff also recommends that Airport Agreement No. CN-1917 between Milwaukee County and Host International, Inc. be amended to add approximately 1,447 square feet of space to the Package A Food Court and Restaurant/Bar concept area for additional bar/restaurant seating.

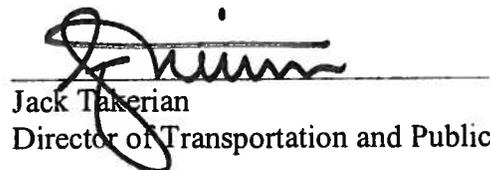
**FISCAL NOTE**

Airport staff expects no negative fiscal effect resulting from these amendments, since any loss in the SSP America MAG guarantee to the Airport would be offset or exceeded by an increase in Host's percentage payments to the Airport due to increased alcohol sales.

Prepared by: Kathy Nelson, Airport Properties Manager

Approved by:

  
C. Barry Bateman  
Airport Director

  
Jack Takerian  
Director of Transportation and Public Works

H:\Private\Clerk Typist\Aa01\TPW&T 11\REPORT - SSP Relinquish Concession Mall Spacel.doc

(ITEM) From the Director of Transportation and Public Works requesting authorization to amend Airport Agreement No. CN -1906 between Milwaukee County and SSP America, Inc. and Airport Agreement No. CN-1917 between Milwaukee County and Host International Airport, Inc. at General Mitchell International Airport (GMIA) by recommending the adoption of the following.

**A RESOLUTION**

WHEREAS, on May 22, 2008 (File No. 07-283 (a)(b)) the Milwaukee County Board of Supervisors authorized Milwaukee County to enter into an agreement with SSP America, Inc., for the operation of a food and beverage concession at GMIA under Official Notice No. 6292; and

WHEREAS, on March 18, 2010 (File No. 07-283 (a)(k)) the Board authorized SSP America to move its burger facility from space 5CM in the Concession Mall by Concourse E to space 3CM in the center of the Concession Mall opposite the food court; and

WHEREAS, SSP America had intended to use the 5CM space as a snack foods concept that was originally planned for space 3CM; and

WHEREAS, Host was awarded the large 2CM space adjacent to the 3CM space to develop a Miller Brew House restaurant/bar, Host is requesting to add the 3CM space to its leasehold for additional bar/restaurant seating; and

WHEREAS, SSP America has agreed to relinquish the 3CM space to Host; and

WHEREAS, the Transportation, Public Works and Transit Committee, at its meeting on April 6, 2011, recommended approval (vote ) that Airport Agreements No. CN-1906 between Milwaukee County and SSP America, Inc. and CN-1917 between Milwaukee County and Host International, Inc. be amended to remove the 3CM space from the SSP America agreement and add the 3CM space to the Host International agreement at GMIA, now, therefore,

BE IT RESOLVED that the Director of Public Works and Transportation and the County Clerk are hereby authorized to amend Airport Agreement No. CN-1906 between Milwaukee County and SSP America as follows:

1. Delete the Package B 3CM space Snack Foods concept that was contained in Official Notice No. 6292 and awarded to SSP.
2. Reduce the SSP America's minimum annual guarantee (MAG) from \$619,000 to \$614,000, which is the MAG associated with the 3CM space.

BE IT RESOLVED that the Director of Public Works and Transportation and the County Clerk are hereby authorized to amend Airport Agreement No. CN-1917 between Milwaukee County Host International, Inc. be amended to add approximately 1,447 square

50 feet of space to the Package A Food Court and Restaurant/Bar concept area for additional  
51 bar/restaurant seating.

52

53 H:\Private\Clerk Typist\Aa01\TPW&T 11\RESOLUTION - SSP Relinquish Concession Mall Space to Host.doc

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** March 8, 2011

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT: AMEND AIRPORT AGREEMENT NO. CN-1917 WITH HOST INTERNATIONAL, INC. AND AGREEMENT NO. CN-1906 WITH SSP AMERICA, INC. TO MODIFY CONCESSION MALL SPACE AT GENERAL MITCHELL INTERNATIONAL AIRPORT FISCAL EFFECT:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact                                     | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required  | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input type="checkbox"/> Absorbed Within Agency's Budget   | <input type="checkbox"/> Decrease Capital Revenues     |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget   |  |
| <input type="checkbox"/> Decrease Operating Expenditures   | <input type="checkbox"/> Use of Contingent Funds       |
| <input type="checkbox"/> Increase Operating Revenues   |  |
| <input type="checkbox"/> Decrease Operating Revenues   |  |

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	\$0	0
	Revenue	0	0
	Net Cost	0	0
<b>Capital Improvement Budget</b>	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

\*

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Airport staff expects no negative fiscal effect resulting from these amendments, since any loss in the SSP America MAG guarantee to the Airport would be offset or exceeded by an increase in Host's percentage payments to the Airport due to increased alcohol sales.

Department/Prepared by: Kathy Nelson

Authorized Signature \_\_\_\_\_

Did DAS-Fiscal Staff Review?  Yes  No

Reviewed by:

---

<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

**COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION**

**13**

**DATE:** March 10, 2011

**TO:** Lee Holloway, Chairman County Board of Supervisors  
Michael Mayo, Sr., Chairman, Transportation, Public Works and Transit committee

**FROM:** Jack Takerian, Director, Transportation and Public Works

**SUBJECT:** **BUILDING 114 LEASE AGREEMENT BETWEEN MILWAUKEE COUNTY AND ACC HOLDING, INC. (AIR CARGO CARRIERS, INC.)**

**POLICY**

County Board approval is required for Milwaukee County to enter into a building lease agreement with ACC Holding, Inc. for a warehouse building at the former 440<sup>th</sup> Air Reserve Station (ARS) at General Mitchell International Airport (GMIA).

**BACKGROUND**

ACC Holding, Inc. (Air Cargo Carriers) is a cargo airline headquartered in Milwaukee, with its main base of operations at General Mitchell International Airport. It was established in 1986 and is the largest civilian operator of Shorts aircraft in the world.

Currently Air Cargo Carriers occupies two hangers at GMIA as well as off-site office space. The County Board has previously authorized the lease of an office building, a shop and warehouse building at the former 440<sup>th</sup> ARS site. The base exchange sales facility (Building 114) at the former 440<sup>th</sup> ARS lends itself perfectly to meet Air Cargo Carriers flight simulator and storage space needs.

**RECOMMENDATION**

Airport staff recommends that Milwaukee County enter into a lease agreement with ACC Holding, Inc., effective May 1, 2011, for the lease of 2,000 square feet of warehouse (Building 114) at the former 440<sup>th</sup> Air Force Reserve Base, under standard terms and conditions for County-owned land and building space, inclusive of the following:

1. The term of the triple net lease agreement shall be for three (3) years, effective May 1, 2011, and ending April 30, 2014, with one (1) two-year mutual renewal option.
2. Any furniture, office equipment, or any other material identified will be inventoried in the building and made available to ACC Holding, Inc. at no charge, to be returned at the conclusion of the lease.
3. Rental for the approximately 2,000 square feet of space in the building will be established at: \$2.75/sq. ft. for an approximate total of \$5,500 for the first year of the lease; \$3.00/sq. ft. for an approximate total of \$6,000 for the second year of the lease; and, \$3.15/sq. ft. for an approximate total of \$6,300 for the third year of the lease. An option to extend the lease term for an additional two years shall be at the fair market value lease rate to be determined.

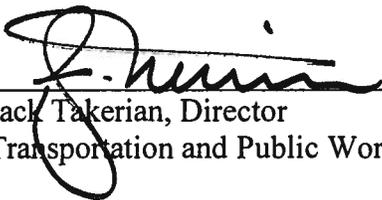
4. The lease agreement shall contain the current standard insurance and environmental language for similar agreements.
5. Under these terms of this triple net lease agreement ACC Holding, Inc. will be responsible for the cost of insurance, utilities and common area maintenance charges.

**FISCAL NOTE**

Rental revenues will be approximately \$5,500 for the first year of the agreement.

Prepared by: Ted J. Torcivia, Airport Business Manager

Approved by:

  
\_\_\_\_\_  
Jack Takerian, Director  
Transportation and Public Works

  
\_\_\_\_\_  
C. Barry Bateman  
Airport Director

H:\Private\Clerk Typist\Aa01\TPW&T 11\April 2011\REPORT - ACC Holding Lease 440th\_114.doc

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46

(ITEM ) From the Director of Transportation and Public Works requesting authorization for the Director of Transportation and Public Works, and the Airport Director, to enter into a building lease agreement with ACC Holding, Inc. (Air Cargo Carriers), at the former 440<sup>th</sup> Air Force Reserve Station (ARS) at General Mitchell International Airport (GMIA), by recommending adoption of the following:

**RESOLUTION**

WHEREAS, ACC Holding, Inc. is a cargo airline headquartered in Milwaukee, with its main base of operations at General Mitchell International Airport. ACC Holding, Inc. was established in 1986 and is the largest civilian operator of Shorts aircraft in the world; and

WHEREAS, Currently ACC Holding, Inc. occupies two hangers at GMIA, as well as off-site office space; and

WHEREAS, The County Board has previously authorized the lease of an office building, a shop and warehouse building at the former 440<sup>th</sup> ARS site; and

WHEREAS, The base exchange sales facility (building 114) at the former 440<sup>th</sup> ARS lends itself perfectly to meet their flight simulator and storage space needs; now, therefore

BE IT RESOLVED, that the Director of Transportation and Public Works and the Airport Director are hereby authorized to enter into a lease agreement with ACC HOLDING, Inc., effective May 1, 2011, for the lease of approximately 2,000 square feet of flight simulator and storage space (Building 114) at the former 440<sup>th</sup> Air Force Reserve Base, under the following terms and conditions:

1. The term of the triple net lease agreement shall be for three (3) years, effective May 1, 2011, and ending April 30, 2014, with one (1) two-year mutual renewal option.
2. Any furniture, office equipment or any other material identified will be inventoried in the office building and made available to ACC Holding, Inc. at no charge, to be returned at the conclusion of the lease.
3. Rental for the approximately 2,000 square feet of space in the building will be established at: \$2.75/sq. ft. for an approximate total of \$5,500 for the first year of the lease; \$3.00/sq. ft. for an approximate total of \$6,000 for the second year of the lease; and, \$3.15/sq. ft. for an approximate total of \$6,300 for the third year of the lease. An option to extend the lease term for an additional two years shall be at the fair market value lease rate to be determined.

47  
48  
49  
50  
51  
52  
53  
54  
55  
56

4. The lease agreement shall contain the current standard insurance and environmental language for similar agreements.
5. Under these terms of this triple net lease agreement ACC Holding, Inc. will be responsible for the cost of insurance, utilities and common area maintenance charges.

H:\Private\Clerk Typist\Aa01\TPW&T 11\April 2011\RESOLUTION - ACC Holding 114 lease 440th.doc

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** March 10, 2011

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT: BUILDING LEASE AGREEMENT BETWEEN MILWAUKEE COUNTY AND ACC HOLDINGS, INC. (AIR CARGO CARRIERS, INC.)**

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact                                     | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required  | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input type="checkbox"/> Absorbed Within Agency's Budget   | <input type="checkbox"/> Decrease Capital Revenues     |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget   |  |
| <input type="checkbox"/> Decrease Operating Expenditures   | <input type="checkbox"/> Use of Contingent Funds       |
| <input type="checkbox"/> Increase Operating Revenues   |  |
| <input type="checkbox"/> Decrease Operating Revenues   |  |

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	\$5,500.00	\$6,000.00
	Revenue	\$5,500.00	\$6,000.00
	Net Cost	0	0
<b>Capital Improvement Budget</b>	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. <sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

**The airport will receive total rental revenues of \$5,500.00 for the first year of the agreement.**

Department/Prepared by: Ted J. Torcivia, Airport Business Manager

Authorized Signature \_\_\_\_\_

Did DAS-Fiscal Staff Review?  Yes  No

Reviewed by:

H:\Private\Clerk Typist\Aa01\TPW&T 11\April 2011\FISCAL NOTE - ACC Holding 114 Lease 440th.doc

---

<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.