



*** All present are expected to conduct themselves in accordance with our City's Core Values ***

OFFICIAL NOTICE AND AGENDA

of a meeting of a City Board, Commission, Department, Committee, Agency, Corporation, Quasi-Municipal Corporation, or sub-unit thereof.

Meeting of the: **AIRPORT COMMITTEE**
Date/Time: **Tuesday, June 23, 2015 @ 6:00 pm.**
Location: **Wausau Downtown Airport Terminal Building Conference Room**
Members: William Nagle (C), Sherry Abitz, Karen Kellbach, Robert Mielke, Bob Mohr, Dick Gehrt, Fred Prehn

AGENDA ITEMS FOR CONSIDERATION (All items listed may be acted upon)

- Call to Order/Roll Call
 - 1 Public Comment
 - 2 Consider minutes of previous meeting - April 8, 2015
 - 3 Discussion and Possible Action on Boy Scout Troop 465 Request for Storage Shed Lease on Airport Property - Alfonso
 - 4 Discussion and Possible Action Regarding Approval of FAA RCO Office Lease at the Wausau Downtown Airport - Alfonso
 - 5 Discussion and Possible Action to Approve Preliminary East Hangar Development Area Plan - Becher Hoppe
 - 6 Discussion and Possible Action Authorizing Modification of Airport Minimum Standards to Allow Aspirus/PHI Helicopter Air Ambulance Operations - Alfonso/Chmiel
 - 7 Discussion and Possible Action Regarding Hangar Construction Request in West Hangar Development Area - Chmiel/Siebert
 - 8 **CLOSED SESSION** pursuant to Section 19.85(1)(e) of the Wisconsin Statutes for deliberating or negotiating the purchasing of public properties, the investing of public funds or conducting other specified public business, whenever competitive bargaining reasons require a closed session for the purpose of considering:
 - (a) Airport management services at the Wausau Downtown Airport and the current Airport Management Agreement with Wausau Flying Service, Inc.
 - (b) Airport fixed base operation services at the Wausau Downtown Airport and the current Airport Fixed Base Operation Agreement with Wausau Flying Service, Inc.
 - 9 Reconvene into Open Session and Possible Action on Closed Session Items.
 - 10 Discussion and Possible Action Regarding Alexander Park Proposed Improvements by the Southeast Side Neighborhood Group
 - 11 Airport Manager Report - Chmiel
 - 12 Airport Budget Review - Groat
- Adjournment

William Nagle, Chairperson

IMPORTANT: FOUR (4) MEMBERS NEEDED FOR A QUORUM: If you are unable to attend the meeting, please notify Mary by calling (715)261-6621 or via email mary.goede@ci.wausau.wi.us

This Notice was posted at City Hall and faxed to the Daily Herald newsroom on 6/16/15 @ 3:30 pm

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Other Distribution: Media, Council (Wagner, Nutting, Neal, Gisselman, Oberbeck, Rasmussen, Winters) Tipple, Chmiel, Groat,*Alfonso, Duncanson, Swanborg

AIRPORT COMMITTEE

Time and Place: Wednesday, April 8th, 2015 at 6:00 p.m. at the Wausau Downtown Airport Terminal Conference Room

Members Present: Mohr, Mielke, Gehrt, Kellbach, Prehn, Abitz

Members Excused: Nagle

Others Present: John Chmiel, Airport Manager, Tara Alfonso, Assistant City Attorney, Sean Gehin, Engineering, Steve Opatik, Becher Hoppe, Karl Kemper Becher Hoppe

In accordance with Chapter 19, Wisconsin Statutes, notice of this meeting was posted and copy sent to the Daily Herald in the proper manner.

Vice-Chairman Mohr called the meeting to order at 6:00 p.m.

Minutes of Previous Meeting

The minutes of March 18th, 2015 were reviewed and modified. Kellbach moved to approve the minutes. Second by Mielke. Motion approved 6-0.

Airport Budget Review - Groat

Groat explained the airport budget review through March 2015. There are no large variances in comparison between 2014/2015. In 2015, depreciation is being recorded monthly on the budget statement. The airport is in better budgetary shape in 2015 mainly due to decreased utility costs. The report was placed on file.

Abitz questioned Chmiel about how the mild winter has impacted the airport. Chmiel stated the spring 2015 weather has had a positive impact on airport activity and that will be reflected in the airport manager report. Groat added that a list of private properties on airport will be included on future budgetary reports to indicate how income from those properties impacts the airport financials. No further discussion.

Update Regarding Proposed Kocourek Hangar Construction - Chmiel

Chmiel explained that the Kocourek hangar project is being delayed until 2016. It was hoped that Kocourek would be able to build his hangar in 2015. The main reason for the delay is the time and cost of relocating utilities which are currently on the approved Kocourek building site. The utilities that need to move are electric, gas, sewer/water, and storm sewer. City officials, WPS engineers, City Engineering Dept, and Kocourek's architects have met to discuss the plan. When these utilities are moved to accommodate Kocourek's hangar the discussion surrounded the ideal location to accommodate future development in the proposed "East Hangar

Development Area". The City does not currently have funds allocated to pay for this utility relocation. Ideas floated at the meeting included creating a TIF district on the airport to pay this utility relocation project as well as other airport projects. The problem is the time required to pursue and get a TIF district approved will not give Kocourek's team enough time in the 2015 building season to construct his hangar.

Chmiel explained that he has already communicated with Mr. Kocourek about the utility difficulties. Mr. Kocourek has indicated that he will not cancel his project, but intends to begin hangar construction in 2016. Chmiel explained that he has already contacted Brad in planning and has begun the process of pursuing a one-year extension on the issued conditional use permit for Mr. Kocourek which was originally issued in 09/2014. Chmiel will attend the May planning commission meeting to answer questions about the conditional use permit extension request. No further questions. No action taken.

Discussion and Possible Action to Revise Wisconsin Bureau of Aeronautics 6-Year Plan for Airport Improvement Schedule and City CIP 5-Year Plan

Chmiel distributed a copy of the Airport 6-year plan to those attending the meeting. The Wisconsin Bureau of Aeronautics requires a 6-year capital project plan and the City requires 5-year capital project plan annually. The BOA requires that any airport projects which we request State or FAA funding for must be included on this plan. Whenever the City changes future project plans for the airport, the 6-year plan should be revised accordingly to increase opportunities for FAA and State funding for the projects.

The plan distributed to the committee is the most current plan proposed by airport management for capital planning. Chmiel explained that 2015 projects include crack sealing of all asphalt pavements on the airport, and microfiber sealing of runway 05/23.

Chmiel proceeded to explain the proposed project list. Runway 13/31 would be microfiber sealed in 2016. This would complete all crack sealing on all asphalt surfaces on the airport. The only other sealing on the airport operations area of the airport would be the re-enforced concrete apron in front of the terminal building. T-hangar 1-10 upgrades are also being requested in 2016. Chmiel stated that he has been requesting these upgrades for 3 years. Chmiel stated that he would be disappointed if the upgrades did not take place. The 60+ year old hangars have paid for themselves and earned profit for the City. They are the lowest priced hangars at the airport and can be compared to low income housing. Chmiel stated that these hangars attracted frugal tenants who have historically upgraded to better Wausau airport T-hangars once established as Wausau airport tenants. Prehn expressed that an alternative would be to tear the 10-unit hangar down, and build nicer units that might attract a different kind of airport tenant. Chmiel agreed that could work and the City would ultimately make the decision on whether to fund the upgrades.

Chmiel explained the request to replace corporate hangar #3 bi-fold door for an estimate of \$300,000. Mielke questioned the high cost of the door. Chmiel stated that there may be a less expensive alternative. Schweiss Doors offers to upgrade any existing bi-fold door to their

proven strap and torque bar system. Chmiel stated that the current door is the last of its kind and recent upgrades were only intended to extend its life a limited amount of time.

Parking lot needs to be resurfaced. There is some question within the City whether Woods Place is a City street or just the airport parking lot. If it is a City street then the funding for repairs would come from DPW. If it's an airport parking lot, then the funding will come from the airport budget. That is why it's included on the airport CIP plan.

Replacement of the concrete apron could cost in excess of \$1.2M. That's why it is important to keep the cracks sealed. The re-enforced concrete apron was installed at the Wausau Airport when the airlines served KAUW. Chmiel explained that the "East Hangar Development Area" would be explained later in the airport meeting agenda. Taxiway/Runway LED lighting upgrades will save on annual utility costs for the airport. Relocation of the ASOS weather reporting facility may be needed if the certain hangars are built in the hangar development area. Structures of a certain height cannot be built within a certain radius of ASOS facilities requiring the facility to be moved to allow for further hangar development. The perimeter inspection road will give more convenient access for emergency response outside the fence.

Runway 05/23 and runway 13/31 reconstruction will hopefully be delayed further out after the crack sealing projects and microfiber sealing projects are completed in 2015/16. The last item on the list included a snow removal vehicle purchase.

Chmiel explained that a motion to pass this plan tonight allows him to begin the formal CIP request process with the City for 2016. Approval of the BOA 6-year plan will also require approval by the finance committee, a public hearing and City Council approval for BOA planning purposes. Going through the BOA 6-year plan approval process does not obligate the City to pursue those projects.

Alfonso questioned whether the projects on this year's plan were the same projects requested on last year's plan. Chmiel stated that yes they were, but the year of the project may have been adjusted. The "East Hangar Development Area" project is an added project.

Abitz made a motion to approve the proposed 6-year plan presented by Chmiel to the committee. Mielke second. Motion approved 6-0.

Discussion and Possible Action to Authorize Utility Installations In East Hangar Development Area

Chmiel showed the committee a map created by Becher Hoppe showing a preliminary layout of taxiways and hangars in the proposed East Hangar Development Area. Chmiel explained the layout and showed where construction of the Kocourek hangar will take place. Also pointed out where the access road going to proposed hangar locations along the fence accessed through a proposed electronic sliding vehicle gate near Airport Park. Chmiel explained proposed locations for utilities installation between the vehicle access road and the current fence line.

Chmiel explained the hangar layout shown on the map. An 80 X 80 hangar currently shown near the Kocourek hangar would not be shown on a modified plan. He also explained that the layout to the east would most likely be modified since it is unlikely that the number of large hangars currently shown on the map will be constructed. It is more realistic to consider that if an airport access agreement is approved a good number of smaller hangars will be constructed where there are currently large hangars shown.

Chmiel explained to the committee that a difference between the West Hangar Development Area (WHDA) and the East Hangar Development Area (EHDA). The WHDA approved land leases were approved based on hangar dimensions. Chmiel proposed that EHDA land leases be approved based on lot size with hangars that cover a minimum percentage of the lot. This would make pre-approval easier and avoid the cumbersome City meeting process required to approve “non-standard” sized hangars in the WHDA. The “percentage” requirement would be insured that airport space was well managed and used properly for the development of the hangar area. Condominium style hangars could also be accommodated in the EHDA.

Prehn questioned who would be responsible for the cost of the asphalt ramp in front of the Kocourek hangar. Chmiel explained that in the WHDA the hangar builder is responsible preparing the area from the front of their hangar to the existing taxiway and to the existing taxiway/ramp each side of the new hangar, or halfway to their future hangar neighbor. The goal is to have continuous ramp for snow removal purposes. The City is responsible from installing the asphalt in the prepared area. Chmiel stated that when hangars are built to the size of the Kocourek hangar, it requires a lot of apron space and that is expensive. But he encouraged the committee to consider the tax revenue generated by a hangar valued at \$500,000-\$600,000 and to compare that to the initial asphalt investment that the City would have to make. The problem for the City is where to find the (estimated) \$52,000 to pay for the investment in asphalt. Chmiel suggested that creating a TIF district on airport property could possible help pay for investments in apron asphalt.

Alfonso reminded Chmiel to get back to the agenda item topic. Prehn asked what the plan is if hangars are constructed in the area currently used by the annual balloon rally. Chmiel attempted to show the airport committee how the balloon rally could be shifted south of the EHDA. Chmiel stated that he was still in support of the balloon rally and wanted to accommodate the balloon rally and encourage hangar construction. The public could still access the “new” balloon rally area from the same gate as in previous years. Prehn stated that the balloon rally is a very popular and important event for the community. Chmiel concluded by stating this was a brief summary of the EHDA plan and its layout and more details about the plan will be released at a future airport committee meeting. Chmiel stated that revealing this preliminary EHDA plan would help explain the utility requirements planned for the area.

Chmiel explained that the growth of the balloon rally in recent years has required an increase in demand for electricity for the event on airport property. WPS was concerned by the amount of electricity required by the event in 2014 and the strain it put on electrical services to the area. WPS contacted the City to try to solve the electric power requirements of the balloon rally for 2015. Conversation between Mayor Tipple and WPS about balloon rally electrical requirements also brought up the utility requirements of the “future” Kocourek hangar. At that point the

decision was made to call a meeting to discuss: 1. relocating the utilities currently located in the space which will be the future location of the Kocourek hangar; 2. Installing these utilities in the proposed EHDA; and 3. Make sure that the power installation can accommodate the needs of the balloon rally. This way all goals could be accomplished in one project, saving tax payer money. It would also ensure that utilities would be placed in areas that would not require their displacement in the near future. During that meeting it was decided that WPS should create an estimate for moving utilities from the current approved Kocourek hangar location to the EHDA phase I area (which is the area used by the balloon rally). WPS was unable to create an estimate before the airport committee meeting. Without investigating all details WPS officials gave a verbal non-binding estimate of \$20,000-\$30,000. Chmiel stated that the power needs to be removed from the Kocourek site. We need to relocate it for future needs so that it won't need to be moved again, and we should consider the needs of the balloon rally for this year. Otherwise hosting the balloon rally in 2015 is in jeopardy.

Prehn questioned if this power installation would provide for the entire EHDA. Chmiel stated the estimate is only for the phase I area of the EHDA. Prehn questioned if it was short-sighted to only pursue the phase I area. Groat stated that it was her understanding that WPS would be able to extend from the installation done this year. Groat stated that the electrical problems did not only occur in 2014. The power consumption of the event has been increasing in recent years as evidenced by vendor complaints about pieces of equipment failing. WPS reiterated that this is an indication of lack of power and continuing in the same manner would be a safety hazard. Prehn questioned who finances the event. Groat stated it is an event sponsored and organized by Wausau Area Events and it loses approximately \$15,000 annually. Admission is free for the event. Revenue sources include charges to vendors, beverages, etc. but expenses make profit difficult and Wausau Area Events does not have the funding available to pay for this electrical upgrade.

Chmiel stated that sewer and water upgrades to the area are not necessary this year. Once the EHDA plan is approved by the City and the FAA, funding could be available for sewer/water installation.

Alfonso questioned when the EHDA was introduced on the airport CIP plan process with the City. Chmiel stated that the EHDA will be a new request on the CIP planning process with the City. Chmiel stated that the airport is currently in pursuit of approval from the City and FAA for the EHDA plan. Chmiel stated that early this year it became apparent the lack of large hangar space at the Wausau airport was going to be an urgent issue. A large cabin-sized jet has been making serious inquiries with airport management about basing its aircraft at the Wausau airport. When that takes place, the Wausau Airport will be at 100% occupancy in all its large hangars. There will be no room for transient aircraft staying in Wausau overnight. There will also be no room for growth unless a plan for future hangars is executed. This demand for large aircraft hangar space was not evident during previous CIP planning years.

Chmiel encouraged the committee to approve the plan which would relocate and install electrical utilities in the proposed EHDA phase I area to accommodate the EHDA plan and provide power for the balloon rally power for this year and into the future. Mielke asked what the cost of the additional electricity for just the balloon rally event would cost. Chmiel stated he did not know

that specific amount, but he thought that the unofficial quote that WPS officials gave could be less because gas might not have to be moved. Mielke asked Groat about funding sources. Groat's ideas include funding from room tax because the balloon rally is a Wausau event that brings people to the community. And, possibly the economic development fund could be used since the power would be used for the development of hangars. Ideally funding for this project would come from both sources.

Alfonso stated that this plan was not discussed with her before this meeting. She questioned whether BOA needed to approve the plan, and if it was OK with the BOA to install power for the balloon rally. Chmiel stated that if the electrical were installed in 2015, it would be a City of Wausau investment without FAA or State participation. Chmiel explained that he and Alfonso were unable to discuss the plan in complete detail when the agenda was put together because of how quickly the needs of the Kocourek hangar, EHDA plan, and the balloon rally's needs were coming to light. Mielke stated he did not have a problem with investing in the utility installation but was concerned about making the investment completely from room tax income but he was concerned that it might appear that compared to other events, the investment might appear to favor the balloon rally. Groat stated that the investment would favor the event because it was an investment in a fixed asset for the City.

Mohr stated that power is needed in the area. It is prudent to consider all the needs of that area if the power needs to be moved from one location and installed in a new location. Planning like this avoids relocation again in the future. Mielke asked Alfonso whether it is OK for the airport committee to make the decision. Alfonso stated that she did not feel comfortable giving her legal opinion based on the facts presented at the meeting. Alfonso questioned the motivation of the project whether it is to provide for the balloon rally or the EHDA. Chmiel stated it will satisfy both needs. Chmiel told the committee that even the investment would incurred by the City this year and would solve multiple needs, once hangars were constructed in the area, each hangar builder would be charged to hook up to the utilities. Once the area was fully developed, the cost to the City associated with installation would be completely reimbursed.

Mielke questioned whether the installation would be permanent. Chmiel indicated yes. Mielke asked Alfonso whether pursuing room tax money is OK. Alfonso stated that based on the facts presented at the meeting she did not feel she could give her legal opinion. Groat stated that this agenda item is on the agenda for consideration by the Finance committee at their next meeting. Groat was not sure the item needed to be approved by Airport prior to the Finance meeting. Alfonso questioned what airport needed to approve. Mielke and Groat agreed that airport committee support for the utility installation at the airport was the goal. Then Finance would be responsible for approving a budget modification to allow funding of the project. Mielke reiterate the need to be transparent when making the decision. Alfonso questioned whether the decision could be made before the 6-year/CIP budget is approved. Groat stated that financial decisions about the airport have been made in the past without 6-year plan approval. CIP/6-Year plan approval is only required if FAA/BOA financial participation is requested. Alfonso expressed concern about whether FAA grant assurances might be jeopardized. Alfonso stated that discussing the decision with the BOA would be prudent to make sure all the rules were followed. Groat/Chmiel agreed there would be plenty of time to confer with the BOA/FAA before breaking ground on the project.

Gehrt questioned whether the public is aware of the proposed EHDA. Chmiel stated that informing the public and the neighborhood will be part of the EHDA concept, but that part of the EHDA process has not begun. Other steps include finance committee approval, a public hearing, approval by planning, City Council and the BOA.

Alfonso questioned whether the utility investment should be made if the EHDA has not been approved. Prehn/Chmiel stated that Keith's hangar construction has already been approved. Chmiel stated the reason this has come together so quickly was the recent urgency to solve moving the utilities from the current Kocourek construction site so that the Kocourek hangar could begin construction this summer. The decision was made on Friday 04/03 that the City did not have all the funding required to be able to accommodate Kocourek hangar construction in 2015. Chmiel stated that he has spoken with Mr. Kocourek and explained why Kocourek hangar construction cannot take place until 2016.

Alfonso expressed concern about making an investment connected to the balloon rally and how that would be accepted by the BOA/FAA. Groat stated that the intention of the investment is to make permanent improvements to the airport which will have a lasting impact on future development of private hangars at the airport but the timing of the installation is that it will positively impact the electrical needs of the balloon rally. Groat explained that there is already electricity installed on the airport site that is solely used by the balloon rally. These proposed upgrades will eliminate those installations and will make all electrical access solely airport purposed. The new installation will be designed so that future hangars will have access to that utility.

Prehn/Mielke stated that balloon flying is an aeronautical activity. Alfonso questioned whether it was since we were required to fill out BOA paperwork requesting permission for the balloon rally. Chmiel stated that he had received a verbal OK from the BOA for the event and he expected a written approval in the near future. Groat explained that is why Chmiel had involved Becher Hoppe in the utility planning process to ensure that the utility plan was not only balloon rally related and airport/aeronautical concerns would be addressed.

Prehn questioned whether utilities should be installed in the proposed EHDA area since it has not been approved. Chmiel explained that the reason the Kocourek hangar, the EHDA, and the balloon rally utility are all related is because the current location serving the electrical needs of the airport is on the site which will be where the Kocourek hangar will be located. The Kocourek hangar cannot be built until the electrical is moved from this site. So a new site must be decided upon. Let's pick a site that is right the first time and will provide for the current and future needs of the airport are provided for.

Prehn made a motion to approve the moving of the electrical utility from the Kocourek hangar site, to a location that considers the need for a possible hangar expansion and for future balloon rally usage. Mielke second. Alfonso stated that the EHDA has not been approved by any City group or BOA. Mielke stated that the investment does make fiscal sense since it will save money in the long run. Prehn questioned if the City needs BOA permission to run power someplace on the airport. Chmiel stated that the BOA should be consulted, but ultimately the

property owner makes the decision about how the land is modified.

Steve Opatik from Becher Hoppe explained that he was invited by Chmiel to meet with City and WPS officials to explain the proposed hangar development area plan and help coordinate any utility changes to the property. Becher Hoppe is in the preliminary stages of the plan. It was decided at that meeting that utilities running along the fence perimeter fence line in the phase I area would meet the needs of future development without interfering with the current preliminary EHDA plan. Chmiel reiterated that the EHDA is not a new concept and reminded the airport committee that they authorized funding for the design of the EHDA through the BOA. The BOA authorized Becher Hoppe to move ahead with the EHDA. Opatik also stated that the current airport layout plan (approved by the FAA) shows future hangar development in the currently being considered by Becher Hoppe as the EHDA. The BOA and FAA have always known that the area would be reserved for future hangar development. The airport layout plan is planning level design. The EHDA is pursuit a higher level plan.

No further discussion. Motion approved 6-0.

Discussion and Possible Action Modification of Airport Minimum Standards to Allow Aspirus/PHI Helicopter Air Ambulance Operations – Chmiel

Chmiel explained to the committee that it was pointed out at the last airport committee meeting that the Aspirus/PHI Helicopter Air Ambulance operation is not specifically addressed under the current airport minimum standards ordinance and that they do not have an agreement with the City to perform these services from the airport. Chmiel explained that these are FAA requirements covered under the grant assurances required for FAA funding of airport projects. In addition a fee for these services would have to be set for allowing this type of commercial operation to take place from the Wausau Downtown Airport. Chmiel recommended that the fee that the committee ultimately decided upon would not have to be in addition to the rent that the air ambulance operation currently pays. The fee could be a percentage of the rent currently paid to the City for office and hangar space. Chmiel stated that this would be on a future airport committee agenda for approval once the City Attorney and airport manager had time to investigate which standards should be addressed, modified and/or added to the existing minimum standards ordinance for this particular type of operation. No further discussion or action taken.

Discussion and Possible Action on Airport Management/FBO Contract Regarding Contract Modification of Extension and CPI Escalation Provision – Chmiel/Groat

Chmiel stated to the committee that this item will be on the next airport committee agenda and that the airport committee be allowed to go into closed session to discuss it. Per the agreement between the City of Wausau and Wausau Flying Service, Inc., every five years the terms of the airport management agreement and the FBO agreement are considered. Now is the time to consider those terms. Chmiel stated that he believed there are 10 years left on the contracts. Chmiel stated that Wausau Flying Service, Inc. is happy with the current agreements and he

hoped that City officials feel the same way.

Chmiel stated that there would be only on two requests for changes in the contracts with the City. One change would be to extend the contracts to 20-25 years. This would allow Chmiel to finish his career managing the Wausau Downtown Airport. At the age of 50 this would allow him to work in this capacity until he was 75 and currently he has no plans to retire at 65.

Change #2 would be to add an annual modifier of consumer price index increase to the airport management fee paid to Wausau Flying Service, Inc. by the City.

Groat stated that Wausau Flying Service, Inc. has not had a airport management fee increase since 2012. Chmiel stated that he loves his job and he wants to keep it that way. Groat explained that because Wausau Flying Service, Inc. is a corporation that there is continuity built into the agreement. Chmiel stated that he and his wife planned to own Wausau Flying Service in the future and planned to create a situation that would allow the corporation to continue after their departure. No further discussion or action.

Discussion and Possible Action Regarding Alexander Park Proposed Improvements by the Southeast Side Neighborhood Group

Chmiel explained that the Southeast Side Neighborhood Group is a group of residents from the neighborhood around the airport. The group is passionate about their neighborhood, the parks in the neighborhood and especially Airport Park. Airport Park is the located at the southeast corner of Pied Piper and Lakeview Drive on airport property outside the fence. The neighborhood group is interested in preserving the park and making improvements to the park which include giving it an aviation themed motif. The group has initiated meetings with their alderman Bill Nagle, community development, and airport management to see if there is interest in their idea and how to go about creating a plan of action. They have investigated several funding sources to pay for park modifications. They have approached Becher Hoppe to assist with the park design.

The ideas discussed for an aviation theme include pathways in the park laid out as runways/taxiways with painted markings like real runways/taxiways. Solar lights alongside the “runways” could simulate runway lighting. The boards currently being used for tennis practice could be painted with an aviation themed mural. The mural could be chosen through a contest asking for local artists to create an aviation mural for the park. Playground equipment could include a “control tower” type structure and “airplanes”.

Prehn confirmed which park location we were describing. Chmiel confirmed it was the park on the corner of Lakeview Drive and Pied Piper. Gehrt questioned whether the park modification plans will remain compatible with the East Hangar Development Area concept. Chmiel stated that it would because the hangar development plan does not interfere with airport property currently used as parks. Chmiel explained that he like the idea of an aviation themed park because it would attract youth to the area that someday will become interested in learning about aviation at the Wausau Downtown Airport.

Airport Manager's Report – Chmiel

Chmiel explained the Airport Manager's Report for April 2015; and the report was placed on file. All areas have experienced growth. Wausau Flying Service, Inc. interviewed a pilot last week so that equates to the company hiring 3 new additional employees in the last 12 months. Good weather has had a positive impact on the growth in activity this spring, just as poor weather had a negative impact on growth last spring.

Abitz questioned how plans for Hamburger Night are going. Chmiel stated that Hamburger Night takes place in our region on Wednesday nights in June through August. The event is growing in other areas of the state as well. Abitz stated that it may be something that should be promoted through the City's quarterly newsletter. Chmiel stated that although the public is welcome to attend, the event was not designed to be open to the general public. Some airports do make it a public event to promote the airport, but Wausau's organizers goal was to encourage local pilots to fly, meet other pilots and explore different airports. The food provided on hamburger night is prepared by volunteers and Chmiel was concerned that if a public invitation was made it could overwhelm the food volunteers. Chmiel stated that the local goal was to create a "quality" experience rather than a "quantity" experience. This way local aviation enthusiasts could personalize the airport experience for their friends, family members, or neighbors through personal tours and flights. Abitz stated that it could be a great aviation and airport promotion tool.

Chmiel stated that an aviation activity that would be ideal for City newsletter promotion would be the AirVenture Cup Race. The AirVenture Cup Race is perfect activity to invite the public to. Chmiel stated that he was concerned the military operations south of Wausau may interfere with the Cup using Wausau as the finish line this year. Event organizers are currently negotiating with military officials to provide a corridor for the race. If that happens Chmiel stated he would pursue promotion in the newsletter.

Gehrt recommended to Chmiel to consider promoting flying through local high school science programs and coordinating with the science teachers to promote aviation to youth. Activities could include introductory flight lessons. Chmiel stated it may be a promotion that WFS would attempt in the fall. Chmiel concluded by saying that he anticipated that 2015 would be one of the best years for flight instruction and rental the WFS has seen in 10 years.

Mielke moved to adjourn the meeting, second by Gehrt. Motion carried unanimously and meeting adjourned at 7:20 p.m.

Respectfully Submitted by John P. Chmiel, Airport Manager



Office of the City Attorney

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COMMENTS REGARDING PROPOSED
LEASE FOR BOY SCOUTS OF AMERICA, TROOP 465

- Boy Scout of America, Troop 465 (“Troop”) has been holding meetings at the Wausau Downtown Airport. The Troop leader, Jerry Kronschnabel has requested the Airport to permit the Boy Scouts to place a shed at the Airport in which to store camping equipment and related items.
- In speaking with the Wisconsin Bureau of Aeronautics (“BOA”), the representative expressed no concern over the Troop having its meetings in the Airport terminal building conference room in that typically Airport conference rooms are not in constant use and provided the use by the Boys Scouts (or other community organizations) is occasional and not continuing all day, every day, and aeronautical uses of the space take first priority.
- The BOA representative advised, however, that the placement and maintenance of a storage shed by the Boy Scouts at the Airport, is a different matter. The BOA did not support this extended use of Airport property for non-aeronautical purposes and expressed general and fairly strong disapproval. However, the representative indicated that if the City was strongly in support of permitting such a use by the Boy Scouts, he believed that it could be permitted if the lease was *very* short term, contained considerable protections for Airport use, priority of Airport use, and could be terminated or superseded for Airport purposes. Additionally, under no circumstances would the shed be permitted to be placed within the Airport security perimeter fence.
- Non-aeronautical use of airport property requires that “the airport owner must receive a benefit for the use of airport property and the value of that benefit must be equal to or more than the fair market value of similar, off-airport property.” Airport Leases: An Airport Owner and Management Reference Document, Wisconsin Department of Transportation, Bureau of Aeronautics, October 4, 2011, at p. 5. Therefore some rental rate must be charged for this non-aeronautical use, either in money or in kind services.

WHEREAS, the parties have negotiated a one (1) year lease to accommodate such use which provides for a rental payment of _____ and other provisions for the protection of Airport activities; and,

WHEREAS, your Airport Committee, at their June 23, 2015, meeting, and the Finance Committee, at their _____, 2015, meeting recommend that a short, one (1) year lease, a copy of which is attached hereto and incorporated herein as "Exhibit 1," be approved.

NOW THEREFORE BE IT RESOLVED, by the Common Council of the City of Wausau, that the Mayor is hereby authorized and directed to execute the one (1) year lease agreement with Wausau Flying Service, Inc. for the location of a storage unit at the Airport for storage of camping equipment and other related items by Troop 465 a copy of which is attached hereto and incorporated herein as "Exhibit 1."

Approved:

James E. Tipple, Mayor

SHORT TERM LEASE AGREEMENT

THIS AGREEMENT OF LEASE, made this ____ day of _____ 2015 (“Lease”), between the City of Wausau, a municipal corporation, located in Marathon County, Wisconsin, (“Lessor”) and the Wausau Flying Service, Inc., a Wisconsin corporation, charter sponsor of Boy Scout of America, Troop 465 and Cub Scouts Pack 465, located in Marathon County, Wisconsin (“Lessee”).

WHEREAS, Lessor is the owner of certain premises depicted on Exhibit A (“Premises”) attached hereto and a made a part hereof, which is part of the Wausau Downtown Airport; and

WHEREAS, said Premises are presently not in use for airport purposes; and

WHEREAS, the Lessor desires to maintain and preserve these Premises for the future needs and development of the Wausau Downtown Airport; and

WHEREAS, the Lessee is the charter sponsor for Boy Scouts of America, Troop 465 and Cub Scouts, Pack 465 (collectively “Troop 465”); and

WHEREAS, Troop 465 holds regular meetings for the benefit of community youth at the Airport; and

WHEREAS, the Lessee and Troop 465 find it would be desirable to store a small amount of camping equipment and other related items in a storage unit to be located on Airport property and has requested the Lessor to accommodate such use; and

WHEREAS, the Lessor desires on a short term basis to facilitate the activities of the Lessee and Troop 465 for the benefit of community youth.

NOW THEREFORE, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Term/Commencement. Subject to the termination provisions contained Section 12 of this Lease, Lessor hereby leases to Lessee the Premises for a term of one (1) year, commencing on _____, 2015 and ending on _____, 2016.
2. Fees. Lessee shall be pay to Lessor a monthly rental payment of _____. Rent shall be payable in advance and is due on the first of each month.
3. Use. Lessee shall be permitted to place one, non-permanent storage shed (“Shed”) on the Premises. The Shed dimensions and appearance shall be substantially similar to that depicted in Exhibit B attached hereto and made a part hereof. Exact placement of the Shed shall be approved in advance by the City, and Lessee shall obtain all necessary permits required for the placement of the Shed and comply with all applicable municipal ordinances. Such Premises and Shed shall be used exclusively for storage of camping equipment and related items. No firearms, hazardous materials as defined under Wis. Stat. s. 299.01(6), or otherwise dangerous materials shall be permitted to be stored in the Shed, or otherwise stored on Airport property. Lessee’s use of the Premises shall not disrupt the operations or maintenance of the Airport or use of the Airport by its lawful users. All costs related to the acquisition, placement and maintenance of the Shed shall be the sole expense of the Lessee.

4. Improvements. Lessee shall not be allowed to make any improvements to the Premises other than as set forth in Section 3 without the prior written consent of the Lessor.
5. Restrictions on Use.
 - A. Lessee expressly agrees to prevent any use of, or activities on the Premises which would interfere with or be a hazard to the flight of aircraft over the Premises, or to and from the Airport, or interfere with air navigation and communication facilities presently or in the future serving the Airport and specifically agrees not to permit the height of any structure, object of natural growth, or other obstruction to exceed height limits established in Title 49, Part 77 of the Code of Federal Regulations. All costs of complying with said height limits shall be borne by Lessee.
 - B. Lessee shall not create any hazard which would interfere with the use of or the safety of air traffic at the Wausau Downtown Airport or which is contrary to the regulations of the Federal Aviation Administration, the laws and regulations of the State of Wisconsin, and/or ordinances of the City of Wausau.
 - C. All use, occupancy, maintenance and operation of the Premises by Lessee and Lessee shall be in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, -Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended; and pursuant to Section 30, Civil Rights (49 U.S.C. 1730) of the Airport and Airway Development Act Amendments of 1976, as well as all other applicable federal, state and local laws, regulations, rules and ordinances.
6. Maintenance. Lessee shall maintain the Shed at its own expense, in a workmanlike state of maintenance and repair and shall otherwise keep the Shed in such condition as to exclude rodents. The exterior area of the Shed shall be maintained in a clean and sanitary condition free from any accumulation of rubbish or garbage.
7. Assignment. Lessee shall not sell or assign this Lease or sublet the Premises or any part thereof.
8. Subordination. This Lease shall be subordinate to the provisions of any existing or future agreement between the Lessor and the United States Government relative to the operation or maintenance of the Airport, the execution of which has been, or may be, required as a condition precedent to the expenditure of federal funds for the development of the Airport.
9. Air and Noise. Lessor reserves for the use and benefit of the public, the right of aircraft to fly in the airspace overlying the Premises, together with the right of aircraft to cause such noise as may be inherent in the operation of aircraft landing at, taking off from, or operating on or in the vicinity of the Airport, and the right to pursue all operations of the Airport.
10. Indemnification and Release. Lessee shall defend, indemnify and hold harmless Lessor, its employees, agents, and elected and appointed officials from and against all liabilities, losses, judgments, actions, suits, obligations, debts, demands, damages, penalties, claims, costs, charges and expenses, including reasonable attorneys' fees, of any kind or of any nature whatsoever which may be imposed, incurred, sustained or asserted against the Lessor, its employees, agents, and/or elected or appointed officials by reason of any injury or death to any person, or loss, damage, or destruction of any property or loss of use thereof, or otherwise arising directly or indirectly as a result of the acts or omissions of Lessee under this Lease.

Lessee hereby releases the Lessor, its employees, agents, and elected and appointed officials from and against all liabilities, losses, judgments, actions, suits, obligations, debts, demands, damages, penalties, claims, costs, charges and expenses, including reasonable attorneys' fees, which may arise as a result of the acts or omissions of Lessee under this Lease.

Lessor shall have no responsibility or liability for the Shed or its contents, and no obligation to provide security for the Premises, the Shed or its contents.

11. Insurance. Lessee shall maintain on the Premises, the Shed, and its contents, at a minimum, fire and extended coverage insurance in an amount at least to the value of the improvements and contents, as well as liability coverage with a minimum combined single limit in an amount not less than \$1 million dollars of liability per occurrence for bodily injury and property damage. Lessee shall furnish the Lessor a Certificate of Insurance and upon request shall provide Lessor with certified copies of the required insurance policies. The Certificate of Insurance shall name the Lessor, its employees, agents, representatives, and elected and appointed officials as additional insureds. The policy of insurance shall state that coverage shall not be cancelled by the insurer in less than thirty (30) days after the insured and the City have received written notice of such cancellation.

12. Termination of Lease. Either party shall have the right to terminate this Lease upon thirty (30) days written notice to the other party, which will allow Lessee sufficient opportunity to remove the Shed and all equipment stored therein, and for any reason whatsoever, including but not limited to Lessor's determination, at its sole discretion, that the Premises are required for airport purposes. Upon expiration of this period, any improvements or equipment or personal property not removed by Lessee shall remain the property of the Lessor without any cost to or further action by Lessor. Upon such removal, Lessee shall repair and restore the Premises to a safe and sightly condition. Lessor shall additionally have the right to terminate this Lease immediately as a result of an order or ruling of the State of Wisconsin Bureau of Aeronautics or the FAA requiring termination.

13. Grant Assurance and State Aid. Upon request, Lessee shall comply or take all steps necessary to enable Lessor to comply with the requirements of current and future federal grant assurances and conditions of state aid.

14. Amendments. This Lease constitutes the entire agreement and understanding of the parties, and supersedes all offers, negotiations, and other agreements of any kind. There are no representations or understandings of any kind not set forth herein. Any modification of or amendment to this Lease must be in writing and executed by both parties.

15. Notices. All notices required by this Lease shall be in writing and personally delivered or sent First Class Mail to Lessor, in care of the City Clerk, City Hall, 407 Grant Street, Wausau, Wisconsin 54403, and to Lessee in care of _____.

15. Survival. All representations, indemnifications, warranties, and guarantees made in, required by, or given in accordance with this Lease, as well as all continuing obligations will survive termination or expiration of this Lease.

16. Severability. If any portion of this Lease shall become illegal, null or void or against public policy, for any reason, or shall be held to be invalid or unenforceable by any court of competent jurisdiction, the remaining portions of this Lease shall not be affected thereby and shall remain in full force and effect to the fullest extent permissible by law.

17. Waiver. The failure of either party to enforce any of the provisions of this Lease shall not be construed as a waiver of such provision or of the right of the party thereafter to enforce each and every such provision.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed on the date first above written.

CITY OF WAUSAU (Lessor)

BY _____
James E. Tipple, Mayor

Attest:

Toni Rayala, Clerk

WAUSAU FLYING SERVICE, INC.,
Charter Sponsor of Boy Scout of America, Troop 465
and Cub Scouts Pack 465 (Lessee)

BY _____

NAME: _____

ITS: _____

**U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
ANTENNA AND RACK SPACE LEASE
FOR REAL PROPERTY**

Lease No: DTFA - - L -

(Input region ID, fiscal year and contract number obtained from PRISM)

Geographical Location

1. THIS LEASE(9/98), entered into by and between <insert Lessor's name> whose interest in the property hereinafter described is that of <insert lessor's interest>, hereby referred to as LESSOR, and the United States of America, hereinafter referred to as the GOVERNMENT OR FAA: WITNESSETH: The Parties hereto, and for the consideration hereinafter mentioned, covenant and agree as follows:

2. DESCRIPTION (10/96) - The LESSOR hereby leases to the GOVERNMENT the following described premises<insert description of site/facility to be leased to FAA> shall be related to the FAA's activities in support of Air Traffic operations.

3. TERM (1/01) - To have and to hold, for the term commencing on <insert start date> and continuing through<insert expiration date>inclusive, PROVIDED that adequate appropriations are available from year to year for the payment of rentals.

4. CANCELLATION (8/02) -The GOVERNMENT may terminate this lease at any time, in whole or in part, if the Real Estate Contracting Officer (RECO) determines that a termination is in the best interest of the Government, on or after October 1, 2015 by giving at least thirty-days (30) notice in writing to the LESSOR. No rental will accrue after the effective date of termination. Said notice will be computed commencing with the day after the date of mailing.

5. RENTAL (10/96) - Rent in the amount of \$<insert amount>per <insert period>will be payable to the LESSOR in arrears and will be due on the first workday of each month, without the submission of invoices or vouchers, subject to available appropriations. Rent will be considered paid on the date a check is dated or an electronic funds transfer is made. Rent for a period of less than a <insert period> will be prorated. Checks will be made payable to:

6. SERVICES AND UTILITIES (To be provided by LESSOR as part of rent.) (10/08)
Services supplied to technical equipment will be supplied 24 hours a day, and seven days a week. The GOVERNMENT will have access to the leased premises at all times, including the use of electrical services without additional payment.

- ELECTRICITY
- SNOW REMOVAL
- GROUND MAINTENANCE
- OTHER SERVICES

2.6.2 Antenna and Rack Space Template

Revised April 2013

OMB Control No. 2120-0595

7. GENERAL CLAUSES:

a. DAMAGE BY FIRE OR OTHER CASUALTY (10/96) - If the building or structure is partially or totally destroyed or damaged by fire or other casualty or if environmentally hazardous conditions are found to exist so that the leased premises is untenable as determined by the GOVERNMENT, the GOVERNMENT may terminate the lease, in whole or in part, immediately by giving written notice to the LESSOR and no further rental will be due.

b. MAINTENANCE OF THE PREMISES (10/96) - The LESSOR will maintain the demised premises, including the grounds, all equipment, and fixtures, appurtenances furnished by the LESSOR under this lease, in good repair.

c. FAILURE IN PERFORMANCE (10/96) - In the event the LESSOR fails to perform any service, to provide any item, or meet any requirement of this lease, the GOVERNMENT may perform the service, provide the item, or meet the requirement, either directly or through a contract. The GOVERNMENT may deduct any costs incurred for the service or item, including administrative costs, from the rental payments. No deduction of rent pursuant to this clause will constitute default by the GOVERNMENT on this lease.

d. CONTRACT DISPUTES (11/03)

All contract disputes and arising under or related to this lease contract will be resolved through the Federal Aviation Administration (FAA) dispute resolution system at the Office of Dispute Resolution for Acquisition (ODRA) and will be governed by the procedures set forth in 14 C.F.R. Parts 14 and 17, which are hereby incorporated by reference. Judicial review, where available, will be in accordance with 49 U.S.C. 46110 and will apply only to final agency decisions. A LESSOR may seek review of a final FAA decision only after its administrative remedies have been exhausted.

All Contract Disputes will be in writing and will be filed at the following address:
Office of Dispute Resolution for Acquisition, AGC-70,
Federal Aviation Administration,
800 Independence Ave., SW,
Room 323,
Washington, DC 20591
Telephone: (202) 267-3290,
Facsimile: (202) 267-3720

A contract dispute against the FAA will be filed with the ODRA within two (2) years of the accrual of the lease contract claim involved. A contract dispute is considered to be filed on the date it is received by the ODRA.

The full text of the Contract Disputes clause is incorporated by reference. Upon request the full text will be provided by the RECO.

e. HOLDOVER (10/13) – If, after the expiration of the lease, the Government shall retain possession of the premises, the lease shall continue in force and effect on a month-

2.6.2 Antenna and Rack Space Template

Revised April 2013

OMB Control No. 2120-0595

to-month basis. Rent shall be paid in accordance with the terms of the lease, in arrears on a prorated basis, at the rate paid during the lease term. This period shall continue until the Government shall have signed a new lease with the Lessor, acquire the property in fee or vacated the premises.

f. INTERFERENCE (10/08)

Should interference with the lessor's facility due to the FAA operations, FAA shall correct the problem immediately. If the lessor's facility interferes with FAA's equipment then the lessor will correct the problem immediately.

g. NOTICES (10/96)

All notices/correspondence shall be in writing, reference the Agreement number, and be addressed as follows:

Lessor:

<insert Lessor Name>

<insert Lessor's mailing address>

<insert city, state, zip code>

Government:

FAA

ATTN: REAL ESTATE BRANCH

<insert mailing address>

h. The following clauses are incorporated by reference: The full text of these clauses can be found in Standard Space Lease Form via the Internet at <http://fast.faa.gov>

-ANTI-KICKBACK (10/96)

-ASSIGNMENT OF CLAIMS (10/96)

-CERTIFICATION OF REGISTRATION IN SAM - REAL PROPERTY (1/13)

-COMPLIANCE WITH APPLICABLE LAWS (10/96)

-CONTRACTOR IDENTIFICATION NUMBER -"DATA UNIVERSAL NUMBERING SYSTEM" (DUNS) NUMBER (1/13)

-COVENANT AGAINST CONTINGENT FEES (8/02)

-DEFAULT BY LESSOR (10/96)

-EXAMINATION OF RECORDS (8/02)

-INSPECTION (10/96)

-LESSOR'S SUCCESSOR (10/96)

-NO WAIVER (10/96)

-OFFICIALS NOT TO BENEFIT (10/96)

-PAYMENT BY ELECTRONIC FUNDS TRANSFER (1/13)

-SUBORDINATION, NONDISTURBANCE AND ATTORNMENT (9/99)

-SYSTEM FOR AWARD MANAGEMENT - REAL PROPERTY (1/13)

2.6.2 Antenna and Rack Space Template

Revised April 2013

OMB Control No. 2120-0595

IN WITNESS WHEREOF, the parties hereto have signed their names:

NAME AND TITLE OF LESSOR/OWNER <i>(Type or Print)</i>	SIGNATURE OF OWNER	DATE
---	--------------------	------

(10/96)

THIS DOCUMENT IS NOT BINDING ON THE GOVERNMENT OF THE UNITED STATES OF AMERICA UNLESS SIGNED BELOW BY AUTHORIZED CONTRACTING OFFICER.

NAME OF REAL ESTATE CONTRACTING OFFICER <i>(Type or Print)</i>	SIGNATURE OF REAL ESTATE CONTRACTING OFFICER	DATE
--	--	------

(10/96)

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF WISCONSIN

COUNTY OF _____

On this, the _____ day of _____, 2015, before me, _____, a Notary Public in and for the County of _____, State of Wisconsin duly commissioned and qualified, personally appeared _____, known to me to be the person described in, or produced appropriate identification as proof of identity, and whose name is subscribed to the attached instrument, and acknowledged to me that she executed the instrument for the purposes and considerations therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in the day and year in this certificate first written above.

Notary Public (Signature)

Notary Public (Printed Name)

2.6.2 Antenna and Rack Space Template

Revised April 2013

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PUBLIC AUTHORIZATION CERTIFICATE

I <insert name> certify that I am the <insert title> of the City of XXXXX named in the foregoing agreement; and that <insert name> who signed said agreement on behalf of the City of XXXXX was then <insert title> of said City of XXXXX; that said agreement was duly signed for and on behalf of the City of XXXXX by authority of its governing body, and is within the scope of its powers.

Signed _____

UNITED STATES OF AMERICA:

By: _____
Sharon E. Wynn
Real Estate Contracting Officer

Date

CERTIFICATE OF ACKNOWLEDGMENT

**STATE OF TEXAS
COUNTY OF TARRANT**

On this, the _____ day of _____, 2015, before me, _____, a Notary Public duly commissioned and qualified, personally appeared Sharon E. Wynn, known to me to be the person described in, or produced appropriate identification as proof of identity, and whose name is subscribed to the attached instrument, and acknowledged to me that she executed the instrument for the purposes and considerations therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in the day and year in this certificate first written above.

Notary Public (Signature)

Notary Public (Printed Name)

Addendum to U.S. Department of Transportation
Federal Aviation Administration
Antenna and Rack Space Lease
for Real Property

This Addendum, dated this ____ day of _____, 2015, is attached to and made a part of the U.S. Department of Transportation Federal Aviation Administration Antenna and Rack Space Lease for Real Property (“Lease”) between the City of Wausau, a municipal corporation, located in Marathon County, Wisconsin (“LESSOR”) and the United States of America (“GOVERNMENT”) for certain Premises located at the Wausau Downtown Airport (“Airport”).

1. The following language in bold type is added to paragraph 5 of the Lease:

Rent will be considered paid on the date a check is dated or an electronic funds transfer is made, **provided it is actually received by the Lessor.**

2. The following language in bold type is added at the end of paragraph 6 of the Lease:

The GOVERNMENT and all agents and employees acting on behalf of the GOVERNMENT will follow the Airport Security Plan and ensure that all secure and locked areas of the Airport entered by the GOVERNMENT are re-secured and locked during and after such GOVERNMENT access.

3. Paragraph 7.c. of the Lease is deleted in its entirety and replaced with the following:

c. FAILURE IN PERFORMANCE – In the event the LESSOR fails to perform any service, to provide any item, or meet any requirement of this Lease, the GOVERNMENT may terminate this Lease immediately by giving written notice to LESSOR and no further rental will be due. In the event the LESSOR has failed to perform any essential service or provide any essential item under this Lease, the Government may, alternatively, withhold from the rental payment due to LESSOR, the amount of the fair and reasonable value of any essential service or item which the LESSOR has failed to provide under the Lease; provided, however, the GOVERNMENT has given written notice to the LESSOR of the failure to provide such essential service or item and the LESSOR has failed to cure its failure within twenty four (24) hours. No deduction of rent pursuant to this clause will constitute default by the GOVERNMENT under this Lease. The GOVERNMENT will have no further remedies with respect to any failure by LESSOR to perform or provide services under this LEASE.

4. A new Paragraph 8 is added to the Lease as follows:

8. IMPROVEMENTS – The GOVERNMENT shall not make any improvements to the Premises without the prior written consent of the LESSOR.

5. A new Paragraph 9 is added to the Lease as follows:

9. RESTRICTIONS ON USE.

a. INTERFERENCE WITH AIRPORT ACTIVITIES. The GOVERNMENT shall not make any use of, or conduct any activities on the Premises which would interfere with or be a hazard to the flight of aircraft over the Premises, or to and from the Airport, or interfere with air navigation and communication facilities presently or in the future serving the Airport and specifically agrees not to permit the height of any structure, object of natural growth, or other obstruction to exceed height limits established in Title 49, Part 77 of the Code of Federal Regulations.

b. HAZARDS. The GOVERNMENT shall not create any hazard which would interfere with the use or the safety of air traffic at the Airport contrary to any federal, state, or local law, regulation, or ordinance.

c. NONDISCRIMINATION. All use, occupancy, maintenance and operation of the Premises shall be in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A. Office of the Secretary, Part 21, - Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as such regulations may be amended; and pursuant to Section 30, Civil Rights (49 U.S.C. 1730) of the Airport and Airway Development Act Amendments of 1976, as well as all other applicable federal, state and local laws.

[Signatures appear on next page]

City of Wausau:

James E. Tipple, Mayor

ATTEST:

Toni Rayala, Clerk

The United States of America:

By: _____
Real Estate Contracting Officer

Name: _____
(Print)

AIRPORT FIXED BASE OPERATION AGREEMENT by and between City of Wausau and Wausau Flying Service, Inc.

Original Agreement, October 1, 1992:

- Term: Five (5) years
- Option to renew: One subsequent five year period.
- Lease Payment: \$550.00 monthly lease payment. Upon remodeling FBO building lease payment to be renegotiated not to exceed \$1000.00/mo
- Fees: \$.06 per gallon fuel flow fee by FBO to City

CURRENT AGREEMENT, March 20, 1998:

- Term: Twenty (20) years
- Option to renew: Ten (10) years
- Lease Payment: ~~\$750 per month~~ Subsequently modified
- Escalation of Rent: Annual CPI adjustment.
Negotiate all fees, rates and charges every five (5) years
- Fees: \$.06 per gallon fuel flow fee by FBO to City. NOTE: It may be that FBO voluntarily began paying \$.12 per gallon in 2010, however, there does not appear to be written documentation of that arrangement. Confirming information would be available from FBO or Finance Department.
- Utilities & Expenses: FBO responsible for 60% of all utilities and other expenses for corporate hangar operation.
City pays 40% of costs of hangar operation.
- Rental Revenue: FBO retains 60% of all rental revenues from hangars described on Exhibit B.
City retains 40% of all rental revenues from the hangars.
- Insurance: \$2,000,000.00 liability coverage maintained by FBO
- Indemnification and Hold harmless: Mutual.
- Release: Of City by FBO only.
- City Obligations: Snow plow, maintain runway lights and provide bulbs for lights. Maintain surface of runways, hangar, tie-down and parking lot areas
- Termination: By City upon 60 days advance written notice upon certain events of default
- Non-assignable without consent by City

First Amendment of Current Agreement (dated 10/2/2009 approved by Council _____):

- Lease Fees: Amends paragraph 6 to provide monthly rental payment of \$1,000.00/month.

ADDENDUM TO AIRPORT FIXED BASE OPERATION AGREEMENT

THIS ADDENDUM to the Airport Fixed Base Operation Agreement between the City of Wausau, ("CITY") and Wausau Flying Service, Inc. ("FBO"), dated October 1, 1998, is hereby made this 2nd day of October, 2009.

WITNESSETH:

Paragraph 6 on page 3 of the foregoing agreement is hereby amended to read:

6. LEASE FEES. FBO shall pay to CITY for the lease of the building and premises afore-described One Thousand Dollars (\$1,000.00) per month, which monthly payment shall be received by the City of Wausau Finance Department no later than the fifth day of the month for which the monthly payment is due. FBO shall provide a security deposit in the amount of Seven Hundred Fifty Dollars (\$750) that will be refundable upon termination of this agreement.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

In the Presence of

CITY OF WAUSAU BY:

Kathi Groeschel

James E. Tipple

James E. Tipple, Mayor

Dina Farsch

Kelly Michaels

Kelly Michaels, Clerk

WAUSAU FLYING SERVICE, INC. BY:

Dina Farsch

John P. Chmiel

John P. Chmiel, President

AIRPORT FIXED BASE OPERATION AGREEMENT

THIS AGREEMENT, made and entered into this 20th day of March, 1998, by and between the City of Wausau, a municipal corporation of the State of Wisconsin, hereinafter referred to as "CITY," and Wausau Flying Service, Inc., hereinafter referred to as "FBO."

WITNESSETH:

WHEREAS, CITY owns and operates an airport within the corporate limits of the City of Wausau known as the Wausau Downtown Airport, herein referred to as "Airport," and

WHEREAS, CITY is desirous of having FBO provide certain aeronautical services to the public, and to that end CITY is desirous of leasing to FBO certain premises on Airport and having FBO be its airport operator, all in return for certain considerations.

NOW, THEREFORE, for and in consideration of the rents, covenants, and agreements herein contained, CITY and FBO agree as follows:

1. FACILITIES AND LAND. CITY hereby leases to FBO the portions of the current Terminal Building set forth in "Exhibit A" including office area, classrooms, and rest rooms, the tie-down areas, the fuel facilities, the fuel trucks, the radio antenna, and all of the equipment that is currently being utilized by CITY at the Airport.

CITY and FBO hereby agree that FBO shall be responsible for corporate hangar management. FBO shall control the maintenance hangar, main storage hangar and new hangar as described in "Exhibit B." FBO shall be responsible for 60 percent (60%) of all utilities and other expenses for corporate hangar operation. FBO shall retain sixty percent (60%) of all rental revenues from the hangars described in "Exhibit B." City shall pay forty percent (40%) of costs of hangar operation. CITY shall receive forty percent (40%) of all rental revenues from the hangars.

FBO shall have the right to add to, improve and/or alter the "Terminal Building" and/or adjacent property only with the written consent of CITY, however, title to any such improvements and/or alterations shall immediately upon completion be in CITY, and FBO specifically agrees to and hereby does hold CITY harmless from any and all liens and/or encumbrances on those improvements.

All moveable equipment which is placed upon Airport by FBO shall remain the property of FBO.

2. OPERATIONAL OFFICES AND STATUS OF FBO. The operational offices of FBO shall be located at the Wausau Downtown Airport.

It is understood and agreed that FBO shall be an independent contractor.

3. SERVICES TO BE PROVIDED BY FBO. FBO shall provide the following services during the duration of this Agreement:

- A. Provide, sell and dispense all aircraft fuel and oil service with a recognized brand of aviation fuel, oil, lubricants and other related aviation petroleum products. All fuel shall be tested for contaminants by FBO, and all fuel storage dispensing and testing shall be conducted by FBO in accordance with federal, state and local laws, rules and regulations.
- B. FBO shall provide daily and routine maintenance of all equipment that is utilized by FBO; however, CITY shall be responsible for major repairs, including repairs to the hangar overhead door, and/or replacement of these items as hereinafter described, unless such repair and/or maintenance is due to the negligence of FBO, in which case the repair and/or replacement shall, in its entirety, be performed by FBO. ["Major repairs" is defined as any repair exceeding \$200.]
- C. Assist individuals in the tie-down, storage and parking of aircraft and miscellaneous ramp assistance. FBO may establish a schedule of fees to be charged for tie down, storage, parking and ramp assistance to nonfueling customers. The fee schedule shall be subject to review by the Airport Committee and CITY.
- D. Flight instruction, including but not limited to ground school instruction, remedial flight training, and in-flight training, all at rates that are competitive with other general aviation airports in central Wisconsin. FBO shall provide schedule of current rates to CITY.
- E. Aircraft rental service for both private pilot use and for flight instruction. Aircraft rental service shall be possible twenty-four hours per day. Aircraft for flight instruction shall be available as needed. FBO shall provide schedule of current rates to CITY.
- F. Arrange for aircraft charter and air taxi service to the general public or for hire at rates that are competitive with other general aviation airports in central Wisconsin. FBO shall provide schedule of current rates to CITY.
- G. FBO agrees to provide aircraft maintenance and repair service upon a scheduled basis.
- H. FBO shall provide such other aeronautical services which are consistent with the minimum requirements for aeronautical services set by either federal, state, or local ordinance, policy or regulation, but that CITY before enacting any new or additional ordinances or regulations or policies regarding the operation of said Airport, shall meet and consult with FBO.
- I. "High quality customer service representation" shall be provided to CITY and general public at all times.
- J. All service shall be provided in a courteous and friendly manner.

K. Operational audit of performance of FBO shall be conducted by CITY on at least a yearly basis.

4. PURCHASE OF EXISTING FUEL, OIL AND PARTS. FBO shall, within, thirty days of execution of this Agreement, purchase from CITY the existing good and saleable inventory of fuel, oil, other lubricants, and any parts which are part of the inventory of the Airport at the time of the execution of this Agreement.

5. FUEL FLOW FEE. The price of all fuel sold at Airport shall be a price which encourages utilization of the Airport by air traffic (a current schedule of fuel prices shall be provided to CITY), and a \$.06 per gallon fuel flow fee shall be paid by FBO to CITY, on a monthly basis, for every gallon of fuel sold, and all appropriate and necessary reports concerning fuel flow shall be furnished by FBO to CITY upon request. This fuel flow fee specifically applies to all sales of petroleum products, including gasoline, to Wausau Papers pursuant to the current lease which CITY has with Wausau Papers. However, nothing other than the sale of petroleum products by FBO to Wausau Papers shall have any effect on the Agreement currently in effect between CITY and Wausau Papers.

6. LEASE FEES. FBO shall pay to CITY for the lease of the building and premises afore-described an initial amount of Seven Hundred Fifty Dollars (\$750) per month, which monthly payment shall be received by the City of Wausau Finance Department no later than the fifth day of the month for which the monthly payment is due. The lease fee shall be adjusted annually by the Consumer's Price Index. FBO shall provide a security deposit in the amount of Seven Hundred Fifty Dollars (\$750) that will be refundable upon termination of this agreement.

7. TERM OF AGREEMENT. The term of this agreement shall be for a period of twenty (20) years commencing on the date above first written, with first option of renewal for a successive period of of ten (10) years. The option of renewal shall only be available to FBO upon satisfactory performance reviews for every year that this agreement had been in effect and must be exercised within 90 days prior to the expiration of the initial term of the agreement or the option shall be deemed waived by FBO. CITY and FBO agree to negotiate all fees, rates and charges under this agreement every five (5) years by June 30 of the preceding year, and failing a successful negotiation, the agreement shall terminate on the anniversary date.

8. SALE OF AIRCRAFT. FBO shall have the right to sell aircraft on a commercial basis.

9. FBO's AIRCRAFT. FBO shall have available for use at Airport, either owned or leased by FBO, at least one currently airworthy aircraft, which must be equipped for and capable of flight instruction; additional aircraft shall be based at the Airport in sufficient number to accommodate public demand for such aircraft; all aircraft must meet minimum federal and state safety standards.

10. AUTOMOBILE PARKING LOT. The automobile parking lot on the Airport premises is not for the exclusive use of FBO, however, FBO' customers, suppliers and guests may use the parking lot area along with other members of the public, and individuals utilizing the Airport.

11. T-HANGARS. CITY shall supervise the T-Hangars, and collect all rents therefrom, and FBO shall have no responsibility whatsoever with respect to the management thereof, although FBO agrees to maintain a list of current tenants and shall refer prospective tenants to the proper personnel of the CITY. FBO has first option of rental when T-Hangar becomes available, said option must be exercised within 30 days of notice of vacancy or shall be deemed to have been waived by FBO.

12. HOURS OF OPERATION. Hours of operation shall not be reduced below the following:

Summer Hours (Memorial Day through Labor Day)

Monday through Friday - 7:00 a.m. to 7:00 p.m.

Saturday and Sunday - 8:00 a.m. to 5:00 p.m.

Winter Hours

Sunday through Saturday - 8:00 a.m. to 5:00 p.m., except for in the event of inclement weather.

FBO shall be available outside those hours on an on-call basis.

13. MINIMUM STANDARDS. FBO shall provide for all aeronautical services in accordance with any previously adopted requirements for airport services at Airport which have been adopted by the Airport Committee, by the Common Council, or by the state or federal government.

14. FBO'S EMPLOYEES. FBO shall employ and have on duty as required by reasonable business practice, trained personnel in such numbers as are required to meet the required hours of operation and any minimum standards previously adopted and/or set forth; in the event that the CITY desires to change any minimum standards, it shall first consult and meet with FBO.

15. USE OF PREMISES. FBO shall make use of the premises only on furtherance of and pursuant to the provisions contained within this Agreement, and no other business of any kind shall be conducted at Airport other than that which is conducted pursuant to this Agreement. No portion of the FBO building shall be used or occupied as sleeping or lodging quarters, except on a temporary basis by patrons of the Airport during business hours and employees of FBO at any time.

16. SEAPLANE BASE. FBO may improve or further develop a seaplane base, upon written approval of CITY, and at an expense to be negotiated with CITY, with said expenses to be split between the parties hereto as is mutually agreeable between them, and any improvements thereto shall become the property of CITY upon completion.

17. SIGNS. FBO agrees that no signs, lighting, or advertising matter, except the maintenance and replacement of existing signs of FBO, shall be erected without the written consent of CITY.

18. INSURANCE. FBO shall maintain liability coverage issued by a company licensed to do business in the State of Wisconsin for its operations as a fixed base operator and as an airport manager, and in addition thereto, for any related exposure at Airport, in an amount not less than two million dollars, provided that this two million dollar limit shall be increased at FBO's expense, if additional amounts are required by any federal or state regulations. The policy of insurance shall be approved by the CITY as to form and shall contain a provision that the same may not be canceled before the expiration of its term except upon thirty (30) days written notice to the CITY.

19. HOLD HARMLESS.

- A. FBO agrees to indemnify and hold harmless CITY, its employees, agents, officers and officials whether hired, appointed or elected, free and harmless from and against any and all judgments, damages, losses, costs, claims, expenses, suits, demands, deaths, actions and/or causes of action of any kind or of any nature which may be sustained or to which they may be exposed by reason of injury or injuries to anyone or of the death or deaths of anyone, or by reason of any personal injury and/or real property damage, or by reason of any other liability imposed by law or by anything or by anyone else upon the above-referenced entities and/or individuals as the result of and/or due to FBO's operations on the demised premises or on any premises owned by CITY and adjacent thereto and/or as a result of and/or due to the presence of FBO or anyone else except CITY employees on the demised premises or on premises owned by CITY and adjacent thereto, and/or due to the existence of this Agreement; specifically included within this indemnification and hold harmless section are attorneys fees and other costs of defense which may be sustained by and/or occasioned to the above referenced entities and/or individuals.
- B. CITY agrees to indemnify and hold harmless FBO, its employees and agents, free and harmless from and against any and all judgments, damages, losses, costs, claims, expenses, suits, demands, deaths, and actions and/or causes of action of any kind or of any nature which may be sustained or to which they may be exposed by reason of injury or injuries to anyone or of the death or deaths of anyone, or by reason of any personal injury and/or real property damage, or by reason of any other liability imposed by law or by anything or by anyone else upon the above-referenced entities and/or individuals as the result of and/or due to the presence or replacement of underground fuel or oil tanks on the demised premises or on any premises owned by CITY and adjacent thereto, including claims by the State of Wisconsin, the Wisconsin Department of Natural Resources, or any other agency of the State of Wisconsin, and by any agency of the federal government; and specifically included within this indemnification and hold harmless section are attorneys fees and other costs of defense which may be sustained by and/or occasioned to the above-referenced entities and/or individuals.

20. RELEASE. FBO agrees to release CITY, its employees, agents, officers and officials whether hired, appointed or elected, from and against any and all judgments, damages, losses, costs,

claims, expenses, suits, demands, deaths, actions and/or causes of action of any kind or of any nature which may be sustained or to which they may be exposed by reason of injury or injuries to anyone or of the death or deaths of anyone, or by reason of any personal injury and/or real property damage, or by reason of any other liability imposed by law or by anything or by anyone else upon the above-referenced entities and/or individuals as the result of and/or due to FBO's operations on the demises premises or on any premises owned by CITY and adjacent thereto and/or as a result of and/or due to the presence of FBO or anyone else except CITY employees on the demised premises or on premises owned by CITY and adjacent thereto, and/or due to the existence of this Agreement; specifically included within this release section are attorneys fees and other costs of defense which may be sustained by and/or occasioned to the above-referenced entities and/or individuals.

21. RIGHTS IN COMMON WITH OTHERS. FBO shall have the right, in common with others authorized so to do, to use all common areas of Airport, including runways, taxiways, aprons, roadways, parking lots, and any other common areas.

22. OBLIGATIONS OF CITY.

- A. CITY shall plow snow promptly and as necessary for the operation of Airport, consistent with Wausau Municipal Airport Snow Plowing Operations Policy, on the runways, hangar areas, tie-down areas, and any areas in the parking lot necessary for use by FBO; and CITY shall maintain the runway lights. CITY shall remove snow and cut grass around the terminal building. CITY shall provide bulbs for runway lights to FBO and FBO shall provide the labor for the replacement of those bulbs.
- B. CITY shall maintain the surface of the runways, hangar areas, tie-down areas, and necessary areas of the parking lot in a condition which is reasonable, taking into consideration the required use.

23. OUTSIDE STORAGE AND REMOVAL OF TRASH. FBO will not store in a location susceptible to view by the public, any equipment, materials, supplies, or damaged or partially dismantled aircraft or other vehicles on the leased or adjacent premises. Any screens or other devices used to keep equipment, materials or supplies from view shall be subject to prior consent by CITY.

FBO further agrees to remove or cause to be removed at FBO's expense, any trash, garbage, recyclables or debris generated by FBO's use of the leased premises and agrees not to deposit any trash, garbage, recyclables or debris on any part of Airport or the leased premises except temporarily in connection with collection or removal of the same.

24. COMPLIANCE WITH LAWS. FBO shall at all times comply with Airport rules and regulations, federal, state and municipal laws, ordinances, codes, and other regulatory measures now in existence or as may be hereafter adopted, modified, and/or amended, applicable to the specific type of operations conducted by FBO. FBO shall procure and maintain during the term of this Agreement all licenses, permits and other similar authorizations required for the conduct of its operations; and CITY shall not unreasonably and without notice enact any ordinances nor laws that would adversely affect FBO's operation under this Agreement.

25. LIENS. FBO agrees to promptly pay all sums legally due and payable on account of any labor performed on or material furnished for the benefit of FBO for the leased premises. FBO shall not permit any liens to be placed against the leased premises on account of labor performed or material furnished and in the event such a lien is placed against the leased premises, FBO agrees to save CITY harmless from any and all asserted claims and liens and to remove or cause to be removed any and all such claims or liens as soon as reasonably possible.

26. REPAIR OF PREMISES. FBO shall, at its expense, keep, maintain, and repair the leased premises, the building and all improvements in its present condition subject to normal wear and tear. In the event FBO fails to comply with this subparagraph, CITY shall give notice to FBO specifying the nature of FBO's failure. In the event that FBO fails within thirty days after receipt of CITY's notice to cure such failure, CITY shall have the right to terminate this Agreement upon 30 days' notice to FBO, or in the alternative, to cure such failure in an efficient, effective and good and workmanlike manner, and to assess the costs thereof against FBO. FBO hereby agrees to pay any and all such assessments, including all costs, disbursements and reasonable attorney's fees incurred by CITY in curing such failure within thirty days after CITY's demand therefor.

27. DEVELOPMENT. CITY reserves the right to further develop or improve the landing and public areas, including ramp space, of Airport as it sees fit, regardless of the desires or views of FBO, and without interference or hindrance, but CITY shall compensate FBO for any loss of income for a particular lease term as a result of CITY's development.

28. SUBORDINATION. This agreement shall be subordinate to the provisions of any existing or future agreement between CITY and the United States government or the State of Wisconsin relative to the operation or maintenance of Airport, the execution of which has been, or may be, required as a condition precedent to the expenditure of federal funds for the development of Airport. Should the effect of any such agreement with the United States government or with the State of Wisconsin be to take the leased premises or building or any portion of either or substantially destroy the commercial value of either, then, within thirty days after the occurrence of such event, CITY shall terminate this Agreement without further obligation to FBO, and FBO, in that event, shall vacate the premises after that 30-day period without recourse to CITY.

29. CANCELLATION BY CITY. City may cancel this Agreement by giving FBO 60 days' advance written notice upon or after any one of the following events of default:

- A. The filing by FBO of a voluntary petition in bankruptcy.
- B. The institution of proceedings in bankruptcy against FBO and the adjudication of FBO as bankrupt pursuant to such proceedings.
- C. The taking by a court of jurisdiction of FBO and its assets pursuant to proceedings brought under the provisions of any federal reorganization act.
- D. The appointment of a receiver of FBO's assets or any general assignment for the benefit of FBO's creditors.

- E. The abandonment by FBO of the leased premises except in connection with its surrender to an approved assignee, sublessee, mortgagee, or other party succeeding to FBO's interests or portion thereof hereunder.
- F. The default by FBO in the performance of any covenant or agreement required herein to be performed by FBO, and FBO's failure to commence and diligently continue to correct such default after notice thereof from CITY; provided, however, that no notice of cancellation, as above provided, shall be of any force or effect if FBO shall have remedied the default prior to receipt of CITY's notice of cancellation.
- G. The lawful assumption by the United States Government or any authorized agency thereof, or by the State of Wisconsin, or any authorized agency thereof, without inducement by CITY, of the operation, control or use of Airport and facilities, or any substantial part or parts thereof, in such manner as to substantially restrict FBO, for a period of at least sixty days, from operating from the leased premises.
- H. The termination of the Airport Management Agreement.

In the event of a default not remedied by FBO, CITY may take immediate possession of the leased premises and remove FBO's property, forcibly if necessary, without being deemed guilty of trespassing. Upon such entry, this Agreement shall terminate.

Failure of CITY to declare this agreement terminated upon the default of FBO for any of the reasons set out above shall not operate to bar or destroy the right of CITY to cancel this Agreement by reason of any subsequent violation of the terms of this Agreement. Further, the acceptance of rental by CITY for any period after a default of any of the terms, covenants or conditions by FBO shall not be deemed a waiver of any right on the part of the City to cancel this Agreement.

30. **FORCE MAJEURE.** If, by reason of force majeure, either party is unable, in whole or in part, to carry out the agreements of such party on its part herein contained, such party shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes; lockouts or other industrial disturbances; acts of public enemies; orders or threats of orders of any kind of the government of the United States or of Wisconsin or any of their departments, agencies or officials, or any civil (except, in the case of the CITY only, the CITY) or military authority; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricanes; storms; floods; washouts; droughts; arrests; restraints of government (except, in the case of the CITY only, the CITY) and people; civil disturbances; explosions; damage, loss, breakage or accident to the buildings, leased premises or Airport; partial or entire failure of utilities; or any other cause or event not reasonably within the control of such party, it being agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of such party and such party shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties in such matters when such course is, in the judgment of such party, unfavorable to such party.

31. CASUALTY. If, during the term of this Agreement, the building and/or any part of the leased premises is partially or totally destroyed or rendered unusable, or the building or any part of the leased premises is partially or totally rendered inaccessible, CITY shall, at its option, rebuild or restore said building and/or premises, or shall provide FBO with suitable alternative quarters or facilities; however, the rent payments shall be appropriately reduced to reflect the destruction and/or inaccessibility, and the management payments shall also be accordingly reduced during the period of nonoperation thereof.

32. CIVIL RIGHTS ASSURANCES. FBO, for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that: (a) no person on the grounds of race, sex, color, physical handicap, or national origin, or other protected groups shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the leased premises; (b) in the construction of any improvements on, over, or under the leased premises and in the furnishing of services thereon, no person on the grounds of race, sex, color, physical handicap, or national origin, or other protected groups shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and (c) FBO shall use the leased premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, office of Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation--Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

33. NONEXCLUSIVE RIGHTS. It is understood and agreed by and between the parties that CITY retains the privilege of entering into other agreements which may or may not be similar to this Agreement and which may or may not contain similar terms with other entities for use of other Airport facilities; provided, however, that CITY agrees not to and shall not enter into any such agreement that abrogates FBO's right to quiet enjoyment or that limits or restricts the use of the leased premises or Airport by FBO; in addition, CITY shall include FBO in any negotiations for any Agreements that CITY may enter into with third parties.

34. NONASSIGNMENT. FBO shall not have the right to assign its rights or obligations under this Agreement without the express written consent of the City of Wausau. It is expressly understood and agreed that the principal owners of FBO shall not transfer fifty percent or more their ownership interests to any other person or persons without the express written consent of CITY. Such transfer of ownership without such written consent shall be a breach of this Agreement and shall authorize CITY, at its option, to declare this Agreement void, cancel the same, and re-enter and take possession of the premises.

35. SEVERABILITY. In the event that any provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such provision shall in no way affect any other provision contained herein, provided that the invalidity of any such provision does not materially prejudice either CITY or FBO in their respective rights and obligations contained in the valid provisions of this Agreement.

36. NOTICE. Any notice, demand, request, consent, approval or communication required or desired to be given by either party to the other or to a third party shall be in writing and either delivered personally or sent by certified United States mail, return receipt requested, in a sealed envelope, postage prepaid, and addressed as follows:

TO CITY:

City Clerk
City of Wausau
City Hall
407 Grant Street
Wausau, WI 54403-4783

TO FBO:

Charles P. Turner
Wausau Flying Service, Inc.
Wausau Downtown Airport
Woods Place
Wausau, WI 54401

Either party may change its address by notice to the other in accordance with this paragraph. Notice shall be deemed communicated when delivered, if delivered personally, or within 48 hours from the date of mailing, if mailed pursuant to this paragraph.

37. ENTIRE AGREEMENT. This Agreement constitutes the entire Agreement between the parties and each party understands that there are no other oral understandings or agreements other than those set out herein. This Agreement cannot be added to, altered, or amended in any way except by written agreement signed by both of the parties hereto.

38. LAW. This Agreement shall be interpreted in accordance with the laws of the State of Wisconsin.

39. SUCCESSORS AND ASSIGNS. The conditions, covenants and agreements in the foregoing Agreement to be kept and performed by the parties hereto shall be binding upon the respective parties and their approved successors and assigns.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.



Witness



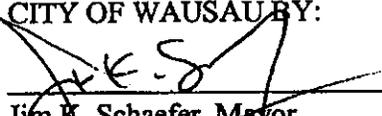
Witness



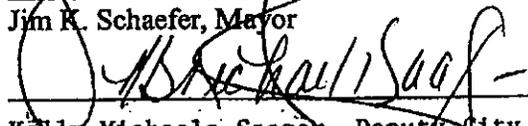
Witness



Witness

CITY OF WAUSAUBY:


Jim K. Schaefer, Mayor



Kelly Michaels-Saager, Deputy City Clerk

WAUSAU FLYING SERVICE, INC., BY:


President



Secretary

EXHIBIT A

Wausau Airport Inventory

West Building

- 1 Jet A Fuel Truck-1986
- 1 International 574 Tractor w/10 ft. mower deck
- 1 Preheater
- 2 Aircompressors
- 2 Towbars
- 1 Shovel

Middle Building or Big Hangar

- 1 Postdigger
- 1 Shovel
- 1 Ice chopper
- 1 Bench grinder
- 1 Bench vise
- 1 Battery charger
- 1 Jetfuel tester & filter
- 2 Sets of jumper cables for airplanes
- 1 Set of jumper cables for a car
- 2 Army blankets
- 1 Hand truck
- 3 Step ladders
- 1-50 ft. garden hose
- 2 Come-a-longs
- 1-100 ft. electric cord
- Misc. wire
- Misc. paint
- 4 - 6.0 gal. blue fuel cans

Outside Shed

- 1 Murry riding mower
- 1 Murry hand mower

Pilot and Bathroom Area

Quarter inch drill
Electric hand saw
Misc. tools
Misc. cable
2 Tables
1 Couch and chair match
12 Chairs

Main Lobby

Table
1 Couch and 2 matching chairs
Halltree
Weather machine

Kitchen

Front Office

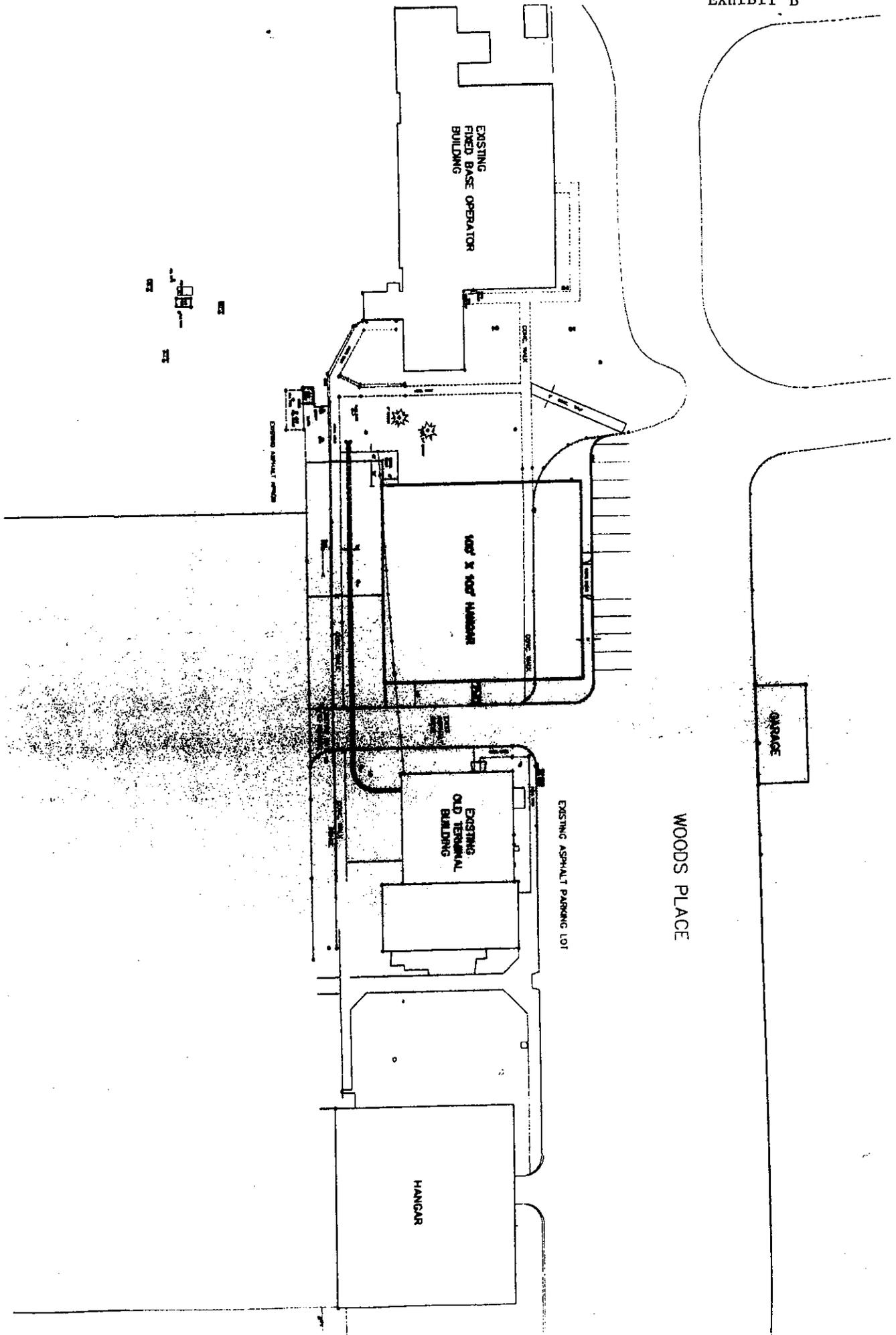
Unicom
Manual credit card machine

Upstairs East Room

Desk
Hand held unicom
Stapler
Tape dispenser

Upstairs West Room

Table
Copier
Desk and chairs 2





Office of the City Attorney

William P. Nagle
City Attorney

Anne L. Jacobson
Assistant City Attorney

April 1, 2004

Kelly Michaels-Saager, Clerk
City of Wausau
407 Grant Street
Wausau, WI 54403

AGF # 0923



ADDENDUM TO AIRPORT MANAGEMENT AGREEMENT
COUNCIL FILE NO. 92-0922

Attached find duplicate original addendum referenced above which has been executed by all parties. Please file the same.

By copy of this letter, I am providing Wausau Flying Service, Inc., with a duplicate original for their records.

Thank you.


JOAN L. HEAHLKE
ADMINISTRATIVE ASSISTANT

Attachment

cc Wausau Flying Service, Inc. (w/duplicate original)
John Chmiel, Wausau Downtown Airport (w/copy of attachment)

AIRPORT MANAGEMENT AGREEMENT by and between City of Wausau and Wausau Flying Service, Inc.

Original Agreement, October 1, 1992:

- Term: Five (5) years
- Option to renew: One subsequent five year period.
- Fee: Monthly management fee of \$2250.00

CURRENT AGREEMENT, March 20, 1998:

- Term: Twenty (20) years
- Option to renew: Ten (10) years
- Management Fee: Monthly management fee of \$3,300.00
~~Annual fee of \$1,500.00 for snowplowing~~ Subsequently modified
- Escalation of Fee: \$2000.00 per year for years 1 – 5 and thereafter subject to renegotiation of all fees, rates and charges every five (5) years
- Utilities & Taxes: Telephone and taxes paid by manager
- Insurance: \$2,000,000.00 liability coverage maintained by manager
- Indemnification and Hold harmless: Mutual.
- Release: Of City by Manager only.
- City Obligations: Snow plow, maintain runway lights and provide bulbs for lights. Maintain surface of runways, hangar, tie-down and parking lot areas
- Termination: By City upon 60 days advance written notice upon certain events of default
- Non-assignable without consent by City

First Amendment of Current Agreement (dated 4/1/2004):

- Services to be Provided by Manager: Amends paragraph 2.K, operational audit of performance to be conducted at least once every five years rather than on a yearly basis.
- Term of Agreement: Amends paragraph 4 to provide management fee shall be increased 4.5% annually for a five (5) year period effective 3/20/2003.

Second Amendment of Current Agreement (dated 10/2/2009 approved by Council _____):

- Management Fee: Amends paragraph 3 to provide City will pay Manager \$15 per hour for snowplowing and mowing hours actually worked.
- Term of Agreement: Amends paragraph 4 () to provide management fee shall be increased 4.5% annually for a two year period retroactive to 3/20/2008.

Third Amendment of Current Agreement (dated 8/16/2010 and approved by Council 8/ /2010):

- Management Fee: Payment to Manager of \$15.00/hour for snowplowing and mowing.
- Term of Agreement: Annual Increase of 4.5 percent for the period March 20, 2010 through September 1, 2012.

AIRPORT MANAGEMENT AGREEMENT

THIS AGREEMENT, made and entered into this 20th day of March, 1998, by and between the City of Wausau, a municipal corporation of the State of Wisconsin, hereinafter referred to as "CITY," and Wausau Flying Service, Inc., hereinafter referred to as "MANAGER."

WITNESSETH:

WHEREAS, CITY owns and operates an airport within the corporate limits of the City of Wausau known as the Wausau Downtown Airport, herein referred to as "Airport," and

WHEREAS, CITY is desirous of having MANAGER manage Airport for CITY, and to that end CITY is desirous of leasing to MANAGER certain premises on Airport and having MANAGER be its airport manager, all in return for certain considerations.

NOW, THEREFORE, for and in consideration of the covenants, and agreements herein contained, CITY and MANAGER agree as follows:

1. **STATUS OF MANAGER.** It is understood and agreed that MANAGER shall be an independent contractor. MANAGER shall not assign or delegate any of his duties or responsibilities under this Agreement without prior written approval of CITY except to John Peter Chmiel, an employee of MANAGER. CITY's approval shall not be unreasonably withheld but may be withdrawn upon dissatisfactory performance by MANAGER's designee.

2. **SERVICES TO BE PROVIDED BY MANAGER.** MANAGER shall provide the following services during the duration of this Agreement:

- A. Conduct or provide for daily inspection of all airport physical properties including runways, taxiways, lighting systems, buildings, navigational equipment, automobile parking areas and access roads; personally make or direct others to make routine repairs, replacements and improvements in a timely and efficient manner; requisition from CITY or purchase, small equipment and supplies required in daily operation and maintenance; keep a complete and accurate record of all maintenance work performed on Airport and make such reports to CITY as may be required at such time and in the form requested by CITY, MANAGER shall provide routine care, cleaning, maintenance, janitorial service, except for the common areas of the terminal building defined as the main lobby, main hall, conference room and restrooms which will be serviced by CITY, snow shoveling and snowplowing in accordance with the Wausau Downtown Airport snowplowing policy in effect and as it may be amended, grass cutting, weed cutting, etc., to all of the building, lawns, sidewalks, and areas immediately adjacent to the leased premises, including runway, except for the grass and walkway areas immediately adjacent to the Wausau Paper Mills hangar, which maintenance

and grass cutting, etc., shall be provided by the CITY and by Wausau Paper Mills respectively. (CITY and MANAGER shall plow snow as described in this Agreement.)

- B. MANAGER shall provide daily and routine maintenance of all equipment that is utilized by MANAGER; however, CITY shall be responsible for major repairs, including repairs to the hangar overhead door, and/or replacement of these items as hereinafter described, unless such repair and/or maintenance is due to the negligence of MANAGER, in which case the repair and/or replacement shall, in its entirety, be performed by MANAGER. ["Major repairs" is defined as any repair exceeding \$200.]
- C. Determine current and potential program needs and prepare plans to fill these needs; make recommendations for current and future development of aviation facilities; coordinate all development and improvement with the proper federal, state and local agencies, engineers, architects and other professionals, aviation organizations and public interest groups.
- D. Recommend to CITY, ordinances and regulations relating to the safe and efficient operation of Airport, and governing the use of Airport, including the leasing of floor space, parking, hangars, and other property; assure enforcement of all ordinances and regulations concerning Airport.
- E. Serve as a liaison between CITY and Airport users and lessees relative to the preparation, negotiation, rates and charges, and terms of leases and agreements.
- F. Develop and maintain effective liaison, including through promotion and publicity, with the traveling and general public, commercial and general aviation interests, agencies having control over, or interest in, certain airport activities, tenants and their employees, and all entities with an interest in Airport. Prepare a marketing plan to be submitted to CITY including promotion and publicity funding requests through airport budget process.
- G. Be responsible for notifying the Federal Aviation Administration Flight Service Station promptly of all conditions affecting the safe use of Airport.
- H. Participate in conferences and meetings of aeronautical and civic organizations for the promotion of aviation activity in the community; give talks on airport progress and service; coordinate the plans and assure safe operating procedures are followed for air shows, demonstrations and exhibitions at Airport.
- I. MANAGER shall provide an annual airport report to the council and will attend all council and staff meetings, as requested by the Mayor or Airport Committee.

- J. In the event of an emergency at the Airport, the proper CITY officials shall be notified by MANAGER as delineated on Exhibit A. MANAGER shall comply with the Wausau Municipal Airport Snow Plowing Policy.
- K. Operational audit of performance of MANAGER shall be conducted by CITY on at least a yearly basis. MANAGER shall have thirty (30) days from date of audit to remedy all performance below standards or CITY shall have option to cancel.

3. MANAGEMENT FEE. In return for all of the aforescribed and hereinafter described services provided by MANAGER, a monthly management fee in the amount of Three Thousand Three Hundred Thirty-three and 33/100 Dollars (\$3,333.33) per month shall be paid by CITY to MANAGER, which amount is due MANAGER by the fifth day of the month for which the management fee is due. This fee shall be increased in the amount of Two Thousand and 00/100 Dollars (\$2,000.00) annually for the first five (5) years this agreement is in effect and thereafter shall be subject to the provisions of paragraph 4. MANAGER shall be paid by CITY an annual fee of One Thousand Five Hundred and 00/100 Dollars (\$1,500.00) for snowplowing in accordance with paragraph 2.A.

4. TERM OF AGREEMENT. The term of this agreement shall be for a period of twenty (20) years commencing on the date above first written with a first option for renewal for a subsequent ten-year period if both MANAGER and CITY agree. CITY and MANAGER agree to negotiate all fees, rates and charges under this agreement every five (5) years by June 30 of the preceding year, and failing a successful negotiation, the agreement shall terminate on the anniversary date.

5. UTILITIES AND TAXES. MANAGER agrees to pay all taxes and phone bills, including but not limited to, bills for personal property tax on any equipment owned by MANAGER located at Airport.

6. HOURS OF OPERATION. Hours of operation shall not be reduced below the following:

Summer Hours (Memorial Day through Labor Day)

Monday through Friday - 7:00 a.m. to 7:00 p.m.

Saturday and Sunday - 8:00 a.m. to 5:00 p.m.

Winter Hours

Sunday through Saturday - 8:00 a.m. to 5:00 p.m., except for in the event of inclement weather.

Availability outside of those hours shall be on an on-call basis.

7. MINIMUM STANDARDS. MANAGER shall provide for all aeronautical services in accordance with any previously adopted requirements for airport services at Airport which have

been adopted by the Airport Committee, by the Common Council, or by the state or federal government.

8. MANAGER'S EMPLOYEES. MANAGER shall employ and have on duty as required by reasonable business practice, trained personnel in such numbers as are required to meet the required hours of operation and any minimum standards previously adopted and/or set forth; in the event that the CITY desires to change any minimum standards, it shall first consult and meet with MANAGER.

9. INSURANCE. MANAGER shall maintain liability coverage issued by a company licensed to do business in the State of Wisconsin for its operations as an airport manager, and in addition thereto, for any related exposure at Airport, in an amount not less than two million dollars, provided that this two million dollar limit shall be increased at MANAGER's expense, if additional amounts are required by any federal or state regulations. The policy of insurance shall be approved by the CITY as to form and shall contain a provision that the same may not be canceled before the expiration of its term except upon thirty (30) days written notice to the CITY.

10. HOLD HARMLESS.

- A. MANAGER agrees to indemnify and hold harmless CITY, its employees, agents, officers and officials whether hired, appointed or elected, free and harmless from and against any and all judgments, damages, losses, costs, claims, expenses, suits, demands, deaths, actions and/or causes of action of any kind or of any nature which may be sustained or to which they may be exposed by reason of injury or injuries to anyone or of the death or deaths of anyone, or by reason of any personal injury and/or real property damage, or by reason of any other liability imposed by law or by anything or by anyone else upon the above-referenced entities and/or individuals as the result of and/or due to MANAGER's operations on the demised premises or on any premises owned by CITY and adjacent thereto and/or as a result of and/or due to the presence of MANAGER or anyone else except CITY employees on the demised premises or on premises owned by CITY and adjacent thereto, and/or due to the existence of this Agreement; specifically included within this indemnification and hold harmless section are attorneys fees and other costs of defense which may be sustained by and/or occasioned to the above referenced entities and/or individuals.
- B. CITY agrees to indemnify and hold harmless MANAGER, its employees and agents, free and harmless from and against any and all judgments, damages, losses, costs, claims, expenses, suits, demands, deaths, and actions and/or causes of action of any kind or of any nature which may be sustained or to which they may be exposed by reason of injury or injuries to anyone or of the death or deaths of anyone, or by reason of any personal injury and/or real property damage, or by reason of any other liability imposed by law or by anything or by anyone else upon the above-referenced entities and/or individuals as the result of and/or due to the presence or replacement of underground fuel or oil tanks on the demised premises or on any premises

owned by CITY and adjacent thereto, including claims by the State of Wisconsin, the Wisconsin Department of Natural Resources, or any other agency of the State of Wisconsin, and by any agency of the federal government; and specifically included within this indemnification and hold harmless section are attorneys fees and other costs of defense which may be sustained by and/or occasioned to the above-referenced entities and/or individuals.

11. RELEASE. MANAGER agrees to release CITY, its employees, agents, officers and officials whether hired, appointed or elected, from and against any and all judgments, damages, losses, costs, claims, expenses, suits, demands, deaths, actions and/or causes of action of any kind or of any nature which may be sustained or to which they may be exposed by reason of injury or injuries to anyone or of the death or deaths of anyone, or by reason of any personal injury and/or real property damage, or by reason of any other liability imposed by law or by anything or by anyone else upon the above-referenced entities and/or individuals as the result of and/or due to MANAGER's operations on the demises premises or on any premises owned by CITY and adjacent thereto and/or as a result of and/or due to the presence of MANAGER or anyone else except CITY employees on the demised premises or on premises owned by CITY and adjacent thereto, and/or due to the existence of this Agreement; specifically included within this release section are attorneys fees and other costs of defense which may be sustained by and/or occasioned to the above-referenced entities and/or individuals.

12. OBLIGATIONS OF CITY.

- A. CITY shall plow snow promptly and as necessary for the operation of Airport, consistent with Wausau Municipal Airport Snow Plowing Operations Policy, on the runways, hangar areas, tie-down areas, and any areas in the parking lot necessary for use by MANAGER; and CITY shall maintain the runway lights. CITY shall provide bulbs for runway lights to MANAGER and MANAGER shall provide the labor for the replacement of those bulbs.
- B. CITY shall maintain the surface of the runways, hangar areas, tie-down areas, and necessary areas of the parking lot in a condition which is reasonable, taking into consideration the required use.

13. CITY'S RIGHT OF ENTRY. CITY, its employee or agent as authorized by the Mayor, shall have the right to inspect the premises at all reasonable times for the purpose of examining the same and to ascertain if they are in good repair. Prior to any inspection by CITY, CITY shall arrange with MANAGER for a suitable time to make such inspection, and if no time can be agreed upon, CITY may inspect it upon 24-hour notice. In the event of an emergency, CITY shall have the right to enter the premises without notice.

14. ACCEPTANCE OF PREMISES. MANAGER, by the execution of this Agreement, represents that it has inspected Airport and the premises, and that it accepts the condition of the same as they now exist, and fully assumes all risks incident to the use thereof, including, but not limited to any apparent conditions on Airport or the premises; however, within a reasonable time period as

agreed by the parties, the CITY shall repair to MANAGER's satisfaction, all of the items on a checklist to be provided by MANAGER to CITY.

15. OUTSIDE STORAGE AND REMOVAL OF TRASH. MANAGER will not store in a location susceptible to view by the public, any equipment, materials, supplies, or damaged or partially dismantled aircraft or other vehicles on the leased or adjacent premises. Any screens or other devices used to keep equipment, materials or supplies from view shall be subject to prior consent by CITY.

MANAGER further agrees to remove or cause to be removed at MANAGER's expense, any trash, garbage, recyclable material or debris generated by MANAGER's use of the leased premises and agrees not to deposit any trash, garbage, or debris on any part of Airport or the leased premises except temporarily in connection with collection or removal of the same.

16. COMPLIANCE WITH LAWS. MANAGER shall at all times comply with Airport rules and regulations, federal, state and municipal laws, ordinances, codes, and other regulatory measures now in existence or as may be hereafter adopted, modified, and/or amended, applicable to the specific type of operations conducted by MANAGER. MANAGER shall procure and maintain during the term of this Agreement all licenses, permits and other similar authorizations required for the conduct of its operations; and CITY shall not unreasonably and without notice enact any ordinances nor laws that would adversely affect MANAGER's operation under this Agreement.

17. SECURITY. The parties hereby agree that MANAGER assumes all responsibility and obligation for providing reasonable security on the leased premises, over and above normal police protection.

18. SUBORDINATION. This agreement shall be subordinate to the provisions of any existing or future agreement between CITY and the United States government or the State of Wisconsin relative to the operation or maintenance of Airport, the execution of which has been, or may be, required as a condition precedent to the expenditure of federal funds for the development of Airport. Should the effect of any such agreement with the United States government or with the State of Wisconsin be to take the leased premises or building or any portion of either or substantially destroy the commercial value of either, then, within thirty days after the occurrence of such event, CITY shall terminate this Agreement without further obligation to MANAGER, and MANAGER, in that event, shall vacate the premises after that 30-day period without recourse to CITY.

19. CANCELLATION BY CITY. City may cancel this Agreement by giving MANAGER 60 days' advance written notice upon or after any one of the following events of default:

- A. The filing by MANAGER of a voluntary petition in bankruptcy.
- B. The institution of proceedings in bankruptcy against MANAGER and the adjudication of MANAGER as bankrupt pursuant to such proceedings.
- C. The taking by a court of jurisdiction of MANAGER and its assets pursuant to proceedings brought under the provisions of any federal reorganization act.

- D. The appointment of a receiver of MANAGER' assets or any general assignment for the benefit of MANAGER' creditors.
- E. The abandonment by MANAGER of the leased premises except in connection with its surrender to an approved assignee, sublessee, mortgagee, or other party succeeding to MANAGER's interests or portion thereof hereunder.
- F. The default by MANAGER in the performance of any covenant or agreement required herein to be performed by MANAGER, and MANAGER's failure to commence and diligently continue to correct such default after notice thereof from CITY; provided, however, that no notice of cancellation, as above provided, shall be of any force or effect if MANAGER shall have remedied the default prior to receipt of CITY's notice of cancellation.
- G. The lawful assumption by the United States Government or any authorized agency thereof, or by the State of Wisconsin, or any authorized agency thereof, without inducement by CITY, of the operation, control or use of Airport and facilities, or any substantial part or parts thereof, in such manner as to substantially restrict MANAGER, for a period of at least sixty days, from operating from the leased premises.
- H. The termination of the Airport Fixed Base Operation Agreement.

Failure of CITY to declare this agreement terminated upon the default of MANAGER for any of the reasons set out above shall not operate to bar or destroy the right of CITY to cancel this Agreement by reason of any subsequent violation of the terms of this Agreement.

20. **FORCE MAJEURE.** If, by reason of force majeure, either party is unable, in whole or in part, to carry out the agreements of such party on its part herein contained, such party shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes; lockouts or other industrial disturbances; acts of public enemies; orders or threats of orders of any kind of the government of the United States or of Wisconsin or any of their departments, agencies or officials, or any civil (except, in the case of the CITY only, the CITY) or military authority; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricanes; storms; floods; washouts; droughts; arrests; restraints of government (except, in the case of the CITY only, the CITY) and people; civil disturbances; explosions; damage, loss, breakage or accident to the buildings, leased premises or Airport; partial or entire failure of utilities; or any other cause or event not reasonably within the control of such party, it being agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of such party and such party shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties in such matters when such course is, in the judgment of such party, unfavorable to such party.

21. MANAGER for himself, his personal representatives, successors in interest, and assigns as a part of the consideration hereof, does hereby covenant and agree that (1) no person on

the grounds of race, color, religion, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of all airport facilities; (2) in the construction and maintenance of any improvements on, over, or under such land and the furnishing of services thereon or therein, no person on the grounds of race, color, religion or national origin shall be excluded from participation in, denied the benefit of, or otherwise be subjected to discrimination; (3) MANAGER shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, subtitle A, Office of the Secretary, Part 21; Nondiscrimination in Federally Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

22. NONASSIGNMENT. MANAGER shall not have the right to assign its rights or obligations under this Agreement without the express written consent of the City of Wausau. It is expressly understood and agreed that the principal owners of MANAGER shall not transfer fifty percent or more their ownership interests to any other person or persons without the express written consent of CITY. Such transfer of ownership without such written consent shall be a breach of this Agreement and shall authorize CITY, at its option, to declare this Agreement void, cancel the same, and reenter and take possession of the premises.

23. SEVERABILITY. In the event that any provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such provision shall in no way affect any other provision contained herein, provided that the invalidity of any such provision does not materially prejudice either CITY or MANAGER in their respective rights and obligations contained in the valid provisions of this Agreement.

24. NOTICE. Any notice, demand, request, consent, approval or communication required or desired to be given by either party to the other or to a third party shall be in writing and either delivered personally or sent by certified United States mail, return receipt requested, in a sealed envelope, postage prepaid, and addressed as follows:

TO CITY:

City Clerk
City of Wausau
City Hall
407 Grant Street
Wausau, WI 54403-4783

TO MANAGER:

Charles P. Turner,
Wausau Flying Service, Inc.
Wausau Downtown Airport
Woods Place
Wausau, WI 54401

Either party may change its address by notice to the other in accordance with this paragraph. Notice shall be deemed communicated when delivered, if delivered personally, or within 48 hours from the date of mailing, if mailed pursuant to this paragraph.

25. ENTIRE AGREEMENT. This Agreement constitutes the entire Agreement between the parties and each party understands that there are no other oral understandings or agreements other than those set out herein. This Agreement cannot be added to, altered, or amended in any way except by written agreement signed by both of the parties hereto.

26. LAW. This Agreement shall be interpreted in accordance with the laws of the State of Wisconsin.

27. SUCCESSORS AND ASSIGNS. The conditions, covenants and agreements in the foregoing Agreement to be kept and performed by the parties hereto shall be binding upon the respective parties and their approved successors and assigns.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

[Signature]
Witness

[Signature]
Witness

CITY OF WAUSAU BY:

[Signature]
Jim K. Schaefer, Mayor

[Signature]
Kelly Michaels-Saager, Deputy City Clerk

WAUSAU FLYING SERVICE, INC., BY:

[Signature]
Witness

[Signature]
Witness

[Signature]
President

[Signature]
Secretary

EXHIBIT A

NOTIFICATION IN CASE OF EMERGENCY

Department of Public Works 843-1340 or 843-1420

- David Koch, Director of Public Works
- Notify in event of snow, ice or mechanical emergencies

Fire Department 843-1401

- Fire Chief
- Notify in event of fire hazards, spills of petroleum products or other hazardous materials emergencies

Police Department 843-1094

- William Brandimore, Chief

Water & Sewer Department 843-1130

- Joseph Gehin, Utilities Director
- Notify in the event of water/sewer break or other emergency

Nonemergency Notification

- City Attorney's Office 843-1210
 - William Nagle, City Attorney
 - Notify in event of legal questions
- Finance Department 843-1140
 - Maryanne Groat, Finance Director
 - Notify for preauthorization of purchases

ADDENDUM TO AIRPORT MANAGEMENT AGREEMENT

THIS ADDENDUM to the Airport Management Agreement between the City of Wausau, ("CITY") and Wausau Flying Service, Inc. ("MANAGER"), dated March 20, 1998, is hereby made this 1st day of April, 2004.

WITNESSETH:

Paragraph 2.K. on page 3 of the foregoing agreement is hereby amended to read:

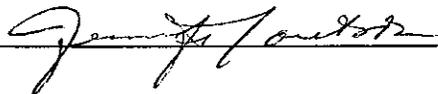
- K. Operational audit of performance of MANAGER shall be conducted by CITY at least once every five years, to take place 60 days prior to any wage increase, and as needed or requested. MANAGER shall have thirty (30) days from date of audit to remedy all performance below standards or CITY shall have option to cancel.

Pursuant to Paragraph 4. (TERM OF AGREEMENT), of the foregoing agreement, the management fee shall be increased annually in the amount of 4.5 percent for a five-year period, effective March 20, 2003.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

In the Presence of

CITY OF WAUSAU BY:





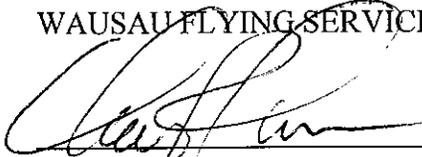
Linda Lawrence, Mayor





Kelly Michaels-Saager, Clerk

WAUSAU FLYING SERVICE, INC. BY:



Charles P. Turner, President

**JOINT RESOLUTION OF AIRPORT COMMITTEE
AND FINANCE COMMITTEE**

Authorizing Addendum to Airport Management Agreement

Committee Action: Airport Approved 6-0
Finance Approved 5-0

Fiscal Impact:

File Number: 92-0922

Date Introduced: July 14, 2009

RESOLUTION

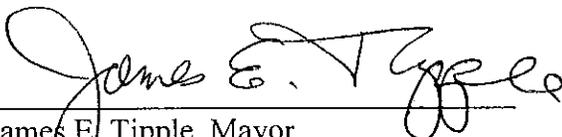
WHEREAS, The city of Wausau wishes to execute an addendum to the March 20, 1998, Airport Management Agreement between the City of Wausau and Wausau Flying Service, Inc., and

WHEREAS, the Airport Committee, at their June 3, 2009 meeting, and the Finance Committee, at their June 9, 2009 meeting, did approve an addendum providing the Manager be paid by the City \$15 per hour for snowplowing and mowing hours actually worked, and

WHEREAS, the addendum further establishes that the management fee be increased annually in the amount of 4.5 percent for a two-year period, retroactive to March 20, 2008.

NOW THEREFORE, BE IT RESOLVED by the Common Council of the City of Wausau that the proper City officials be authorized and directed to execute the attached Addendum to Airport Management Agreement between the City of Wausau and Wausau Flying Service, Inc.

Approved:


James E. Tipple, Mayor

ADDENDUM TO AIRPORT MANAGEMENT AGREEMENT

THIS ADDENDUM to the Airport Management Agreement between the City of Wausau, ("CITY") and Wausau Flying Service, Inc. ("MANAGER"), dated March 20, 1998, is hereby made this ____ day of _____, 2009.

WITNESSETH:

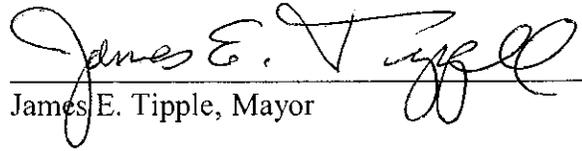
Paragraph 3. (MANAGEMENT FEE), of the foregoing agreement, the MANAGER shall be paid by CITY \$15 per hour for snowplowing and mowing hours actually worked in accordance with paragraph 2.A.

Paragraph 4. (TERM OF AGREEMENT), of the foregoing agreement, the management fee shall be increased annually in the amount of 4.5 percent for a two-year period, retroactive to March 20, 2008.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

In the Presence of

CITY OF WAUSAU BY:


James E. Tipple, Mayor

Kelly Michaels, Clerk

WAUSAU FLYING SERVICE, INC. BY:

Charles Turner, President

ADDENDUM TO AIRPORT MANAGEMENT AGREEMENT

THIS ADDENDUM to the Airport Management Agreement between the City of Wausau, ("CITY") and Wausau Flying Service, Inc. ("MANAGER"), dated March 20, 1998, is hereby made this 2nd day of October, 2009.

WITNESSETH:

Paragraph 3. (MANAGEMENT FEE), of the foregoing agreement, the MANAGER shall be paid by CITY \$15 per hour for snowplowing and mowing hours actually worked in accordance with paragraph 2.A.

Paragraph 4. (TERM OF AGREEMENT), of the foregoing agreement, the management fee shall be increased annually in the amount of 4.5 percent for a two-year period, retroactive to March 20, 2008.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

In the Presence of

CITY OF WAUSAU BY:

Kathi J. Sweschel

James E. Tipple

James E. Tipple, Mayor

Jessie Farsch

Kelly Michaels

Kelly Michaels, Clerk

WAUSAU FLYING SERVICE, INC. BY:

Jessie Farsch

John P. Chmiel

John P. Chmiel, President

JOINT RESOLUTION OF THE FINANCE AND AIRPORT COMMITTEE

Authorizing Addendum to the Airport Management Agreement

Committee Action: Finance Comm: Approved 4-0.
Airport Comm: Approved 4-0.

Fiscal Impact: No additional financial terms added

File Number: 92-0922

Date Introduced: August 10, 2010

RESOLUTION

WHEREAS, the City of Wausau wishes to execute an addendum to the March 20, 1998 Airport Management Agreement between the City of Wausau and Wausau Flying Service, Inc., and

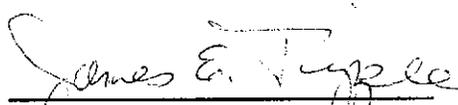
WHEREAS, the Airport Committee at their July 14th meeting, recommended a continuation of the terms established in the July 14th, 2009 addendum for the period of March 20, 2010 to September 1, 2012, and

WHEREAS, the Finance Committee reviewed the recommendations of the Airport Committee at their August 4th, 2010 committee meeting and recommend the same; and

WHEREAS, the 2010 budget provides provisions for the financial terms of this addendum;

NOW THEREFORE BE IT RESOLVED that the Common Council of the City of Wausau that the proper City officials be authorized and directed to execute the attached Addendum to the Airport Management Agreement between the City of Wausau and Wausau Flying Service, Inc.

Approved:


James E. Tipple, Mayor



Office of the City Attorney

Anne L. Jacobson
City Attorney

Patricia Cal Baker
Assistant City Attorney

September 9, 2010

Kelly Michaels, Clerk
City of Wausau
407 Grant Street
Wausau, WI 54403

ADDENDUM TO AIRPORT MANAGEMENT AGREEMENT—
COUNCIL FILE NO. 92-0922

Enclosed please find original, executed addendum to Airport Management Agreement. Please file the same.

LISA PARSCH
ADMINISTRATIVE ASSISTANT

Enclosure

cc w/Enc. John Chmiel, Wausau Flying Service, Inc.
Maryanne Groat, Finance Director

ADDENDUM TO AIRPORT MANAGEMENT AGREEMENT

THIS ADDENDUM to the Airport Management Agreement between the City of Wausau, ("CITY") and Wausau Flying Service, Inc. ("MANAGER"), dated March 20, 1998, is hereby made this 16th day of AUGUST, 2010.

WITNESSTH:

Paragraph 3. (MANAGER FEE), of the foregoing agreement, the MANAGER shall be paid by CITY \$15 per hour for snowplowing and mowing hours actually worked in accordance with paragraph 2.A.

Paragraph 4. (TERMS OF AGREEMENT), of the foregoing agreement, the management fee shall be increased annually in the amount of 4.5 percent for a period of March 20, 2010 through September 1, 2012.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

In the Presence of

Mary D. Goode

CITY OF WAUSAU BY:

James E. Tipple
James E. Tipple, Mayor

Kelly Michaels
Kelly Michaels, Clerk

WAUSAU FLYING SERVICE, INC. BY:

John P. Chmiel
John Chmiel, President

AIRPORT MANAGER'S REPORT
June 2015

A. FUEL SALES

Fuel Type	2013	2014	2015	2014/2015 % Change
92 OCT Auto	181	265	267	1
100LL	1726	2034	1905	-6
Jet A	6388	7999	10445	31
Monthly Totals	8295	10298	12617	23

B. YEAR TO DATE FUEL TOTALS

2013	2014	2015	2014/2015 % Change
36,657	39,564	63,255	59.9

C. AIRPORT OPERATIONS

Active Wausau Based Aircraft:	38
<u>Inactive Wausau Based Aircraft:</u>	<u>49</u>
Total Wausau Based Aircraft:	87

TOTAL ESTIMATED FLIGHT OPERATIONS : 3411

Companies Utilizing the Wausau Downtown Airport
(Not Including Aviation Companies)

Becher Hoppe	Log Cabin
Cherry Tree Dental	Jefferson St. Inn
Marshfield Clinic/Spirit 2	Noel Development
State of Wisconsin	Aspirus
Noel Properties Downtown	Kocourek Automotive
Courtyard Marriott	Eagle's Nest
Integrity Construction	Great Dane
TransCanada Pipeline	Miron Construction

O'Brian Steel	the Mint
Wausau Supply Company	Enterprise Rental Car
Valley Medical	Quantum Spatial Inc.
Central WI Firearms	Wynn Jones & Associates
St. Claire's	Wausau Center Mall
Prehn Cranberry Co.	Vortex Tool
River Valley Bank	Best Western
Ministry Health Care	Connexus
Bushman's	Nueske's
Prehn Dental	All American Taxi
Cranberry Growers Cooperative	Fabco
University of MN Mankato	Medex
Triple Rainbow LLC.	Mattic LLC.
Hertz	Marathon Electric
Duroc LLC.	Ballweg Motors
Midwest Professional Planners	Wendy's
UW Hospital	Uhaul
Northern Meridian	Raffel Systems
El Mezcal	The Buckle Inc.
Boyd Brothers Transport	Black Forest Dirtworks

D. AIRPORT MAINTENANCE

Lighting Systems: All OK
 Vehicles: All OK
 Snow Removal: All OK
 Buildings:

SRE BUILDING – no problems

TERMINAL BUILDING – no problems

CIVIL AIR PATROL OFFICES – no problems

SECURITY GATE SYSTEM – Gates have been down since April. Plans are to have it repaired this week. The problem was a supplier issue for motherboards and LAN boards for the system.

E. AIRCRAFT RENTALS

Month	2013	2014	2015	2014/2015 % Change
January	12.8	2.0	49.9	2395.0
February	11.4	6.2	37.0	496.8
March	28.7	18.1	31.0	71.3
April	23.7	21.3	50.9	139.0
May	26.2	30.3	52.2	72.3
June	54.0	69.4	0.0	-100.0
July	79.7	143.9	0.0	-100.0
August	88.9	92.0	0.0	-100.0
September	92.2	79.0	0.0	-100.0
October	50.0	94.8	0.0	-100.0
November	18.7	42.8	0.0	-100.0
December	7.7	36.7	0.0	-100.0
Year-To-Date	102.8	77.9	221.0	183.7

F. HANGAR TENANT CONCERNS

CORPORATE HANGAR ACTIVITY

Month	WFS Aircraft	Local Tenants*	Transient Tenants
May	4	12	0

* 1 jet, 3 turbine, 6 singles, 2 helicopter

T-HANGARS – 100 % occupancy, 8 aircraft owners on waiting list

PRIVATE HANGARS – No issues

CITY HANGARS – (2) north overhead heaters corporate #3 OTS. DPW aware.

KOCOUREK HANGAR CONSTRUCTION- Kocourek update during airport committee meeting

G. AIRPORT PROMOTION

- “Learn, Build, Fly” organization officers have signed paperwork in pursuit of 501 (C)(3) status. The group which completed their first airplane, the Baby Ace, this summer, has begun construction on their next project: a Wittman Buttercup. Building meetings take place on Tuesday evenings and Sundays. The goal is to build aircraft and introduce adults and youth to aviation and homebuilding. About 30 people are active in the organization.

- The next Wausau 2015 “Hamburger Night” date is scheduled for August 5th. The airport committee and all city representatives are invited to attend. Our June 10th had served 100+ aviation enthusiasts. 24 aircraft from aircraft around Central WI attended the event. The “Hamburger Night” has carried momentum statewide in 2015. This week you will be able to attend a “Hamburger Night” event at airports throughout the state every day of the week. In the near future I will be interviewed by a national aviation publication about promoting the concept of “Hamburger Night” nation wide.
- Wausau Southeast Side Neighbors are holding monthly meetings at the airport. June’s meeting featured the airport. There were 66 members that attended the event and were given an airport tour. It’s all about connecting with neighbors and relaying current airport activity information.
- Boy Scout Troop 465 sponsored by Wausau Flying Service, Inc. meeting weekly at the airport.
- Civil Air Patrol holds monthly meetings in the airport terminal.
- The annual spot landing contest will be held August 1-9. The fundraiser benefactor will be “The Men of Honor Society” which is a civic organization dedicated to helping local veterans and their families. The event will be held daily during scheduled times during the 9-day event.
- 2015 AirVenture Cup Race has scheduled Wausau Downtown Airport as their finish line for the 2nd consecutive year. AirVenture Cup officials successfully negotiated a corridor to allow the race to continue to KAUW. There are currently over 70+ aircraft registered for the race.
- In association with the AirVenture Cup Race, work is underway to have a World War II B-25 Mitchell bomber on display the same weekend. We are trying to work out the details, but the airplane may be available for rides.
- Rico Jaeger, a KAUW tenant and YAK 52 owner is working to have the “Redstar Pilots Association” gather at Wausau Thursday through Saturday the weekend before AirVenture. “The RPA's mission is to promote and preserve the safe operation, display and enjoyment of all aircraft -- jet to prop, aerobatic, sport, warbird and utility -- and especially those originating in the current and former communist block nations. “ At this point there are 10 of these aircraft registered for the event. But obviously we want more, not less, aircraft to participate.
- After the SE Neighborhood meeting I was interviewed by Pat Peckham of the City Pages and Melanie Lowder from the Daily Herald for feature articles regarding the airport.
- The Flying Dentist Association will not be gathering at Wausau prior to AirVenture last year
- Please check out Flywausau.com and Wausau Downtown Airport FB page are being updated regularly.
- Sign-Up now for our monthly email newsletter “CONTACT”

**Wausau Downtown Airport
Statement of Financial Position
Month Ended May 31, 2015**

	<u>2015</u>	<u>2014</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 65,042	\$ 70,892
Trade receivables	<u>8,460</u>	<u>3,820</u>
Total current assets	<u>\$ 73,502</u>	<u>\$ 74,713</u>
Land, Buildings, Machinery and Equipment net of accumulated depreciation	<u>\$ 2,345,508</u>	<u>\$ 2,539,260</u>
 Total Assets	 <u><u>\$ 2,419,010</u></u>	 <u><u>\$ 2,613,972</u></u>
 Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	\$ 105	\$ 126
Deferred Revenue	<u>4,605</u>	<u>\$ 4,537</u>
Total current liabilities	<u>\$ 4,710</u>	<u>\$ 4,662.81</u>
Net Assets		
Unrestricted	\$ 68,792	\$ 70,050
Permanently Restricted	<u>2,345,508</u>	<u>2,539,260</u>
Total Net Assets	<u>\$ 2,414,300</u>	<u>\$ 2,609,309</u>
 Total Liabilities and Net Assets	 <u><u>\$ 2,419,010</u></u>	 <u><u>\$ 2,613,972</u></u>

Wausau Downtown Airport
Statement of Activities (Budget to Actual)
Month Ended May 31, 2015

	BUDGET	ACTUAL	VARIANCE	%	2014
OPERATING REVENUES					
Facility Income					
Hangars	\$ 91,000	\$ 39,068	\$ (51,932)	42.93%	\$ 39,003
Other Facilities	21,600	11,187	(10,413)	51.79%	7,043
Other Income					
Fuel Flow	14,500	7,043	(7,457)	48.57%	4,141
Other Income	10,000	6,303	(3,697)	63.03%	7,178
Total Operating Revenues	<u>137,100</u>	<u>63,601</u>	<u>(73,499)</u>	<u>46.39%</u>	<u>57,366</u>
OPERATING EXPENSES					
Administrative Expenses					
Management	78,000	28,841	49,159	36.98%	28,843
Office Supplies	356	272	84	76.46%	361
Travel, Education, Dues	110	-	110	0.00%	-
Total Administrative Expenses	<u>78,466</u>	<u>29,113</u>	<u>49,353</u>	<u>37.10%</u>	<u>29,204</u>
Facility Expenses					
Utilities					
Water	1,200	586	614	48.86%	315
Electric	30,000	11,957	18,043	39.86%	14,001
Sewer	850	422	428	49.63%	246
Gas	20,000	9,697	10,303	48.49%	18,300
Telephone	1,200	763	437	63.59%	587
Building					
Janitorial	3,600	1,500	2,100	41.67%	1,500
Repair and Maintenance Contractual Services	58,000	17,694	40,306	30.51%	34,127
Repair and Maintenance Supplies	1,770	1,505	265	85.00%	344
Janitorial Supplies	1,800	469	1,331	26.05%	887
Grounds					
Snow Removal	9,000	2,923	6,077	32.48%	5,125
Mowing and Brushing	1,500	-	1,500	0.00%	-
Grounds and Grounds Improvement	1,000	-	1,000	0.00%	-
Fire Protection	1,000	-	1,000	0.00%	-
Insurance					
Airport Liability	7,486	4,922	2,564	65.75%	-
Other Insurance	4,433	8,642	(4,209)	194.94%	4,819
Total Facility Expenses	<u>142,839</u>	<u>61,080</u>	<u>81,759</u>	<u>42.76%</u>	<u>80,251</u>
Vehicles and Equipment					
Fuel	4,000	1,496	2,504	37.41%	2,145
Contractual Services	2,000	461	1,540	23.03%	781
Supplies	300	342	(42)	113.92%	77
Total Vehicles and Equipment	<u>6,300</u>	<u>2,299</u>	<u>4,001</u>	<u>36.49%</u>	<u>3,003</u>
Depreciation	<u>155,000</u>	<u>65,054</u>	<u>89,946</u>	<u>41.97%</u>	<u>-</u>
Total Operating Expenses	<u>382,605</u>	<u>157,546</u>	<u>225,059</u>	<u>41.18%</u>	<u>112,458</u>
OPERATING LOSS	<u>(245,505)</u>	<u>(93,945)</u>	<u>(151,560)</u>	<u>38.27%</u>	<u>(55,092)</u>
NONOPERATING REVENUES					
General Property Taxes	80,000	80,000	-	100.00%	70,000
Capital Contributions	-	-	-	-	-
Total NonOperating Revenues	<u>80,000</u>	<u>80,000</u>	<u>-</u>	<u>100.00%</u>	<u>70,000</u>
CHANGE IN NET ASSETS		(13,945)			14,908
CHANGE IN UNRESTRICTED NET ASSETS		51,109			14,908
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR		<u>17,683</u>			<u>55,142</u>
UNRESTRICTED NET ASSETS, TO DATE		<u>\$ 68,792</u>			<u>\$ 70,049.79</u>

NOTES:

PRIVATE HANGERS; 10 Hangers at Total Value \$1,188,000; 2014 Taxes \$28,920.89

**Wausau Downtown Airport
Statement of Cash Flow
Month Ended May 31, 2015**

	2015
CASH FLOWS FROM OPERATING ACTIVITY	
Receipts from customers, users and others	\$ 58,370
Payments to suppliers	(100,188)
Net Cash Provided (Used) by Operating Activities	\$ (41,818)
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Property taxes	\$ 80,000
Net Increase (Decrease)	38,182
Cash and cash equivalents - beginning of year	26,860
Cash and cash equivalents - end of month	\$ 65,042
-	
Reconciliation of operating income (loss) to net cash provided (used) by oprating activities:	
Operating income (loss)	\$ (93,945)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	65,054
Changes in assets and liabilities:	
Accounts recievable	(1,708)
Accounts payable	(7,696)
Unearned revenue	(3,523)
Net cash provided (used) by operating activities	\$ (41,818)
-	