

**DANE COUNTY
POLICY AND FISCAL NOTE**

<input checked="" type="checkbox"/> Original	<input type="checkbox"/> Update	Substitute No. _____
Sponsor: Supervisor <u>Rusk</u>		Resolution No. 2020 RES-081
Vote Required:		Ordinance Amendment No. _____
Majority <input checked="" type="checkbox"/>	Two-Thirds <input type="checkbox"/>	

Title of Resolution or Ord. Amd.:

AUTHORIZING EXECUTION OF A LEASE WITH PREFERRED DEVELOPMENT MADISON, LLC
FOR PREMISES AT THE DANE COUNTY REGIONAL AIRPORT

Policy Analysis Statement:

Brief Description of Proposal -

This lease with Preferred Development Madison, LLC is for expanded exclusive land for construction of a new air cargo facility and for adjacent ramp space for use by the Federal Express Corporation under a sublease with Preferred Development Madison. This lease would take effect on the first of the month after excavation of the foundation for the new facility. The new lease is for a term of 41 years with an option to extend 5 more years. FedEx will continue to lease its current space until it moves into the new facility and vacates the old one. We expect construction to begin in September, 2020 with full occupancy of the new facility by October 1, 2021.

Current Policy or Practice -

FedEx, the sublessee under the subject lease with Preferred Development Madison, LLC, currently leases a smaller air cargo facility and less assigned ramp space under a lease with a term of January 1, 2019 to December 31, 2023 with an option to extend to December 31, 2028.

Impact of Adopting Proposal -

A new, larger air cargo facility will be constructed for the use of FedEx, with larger assigned ramp space under a term that will extend occupancy from the current lease ending December 31, 2028 to 41 years from the commencement date to 2061 with an option to extend 5 years to 2066.

Fiscal Estimate:

Fiscal Effect (check all that apply) -

- No Fiscal Effect
- Results in Revenue Increase
- Results in Expenditure Increase
- Results in Revenue Decrease
- Results in Expenditure Decrease

Budget Effect (check all that apply)

- No Budget Effect
 - Increases Rev. Budget
 - Increases Exp. Budget
 - Decreases Rev. Budget
 - Decreases Exp. Budget
 - Increases Position Authority
 - Decreases Position Authority
- Note: if any budget effect, 2/3 vote is required

Narrative/Assumptions about long range fiscal effect:

The annualized increase noted below reflects the increased revenue to the airport at the time the new rental rate and increased square footage takes effect, (for a full calendar year), and the old leasehold space and associated square footage is returned to the airport.

Expenditure/Revenue Changes:

	Current Year		Annualized			Current Year		Annualized	
	Increase	Decrease	Increase	Decrease		Increase	Decrease	Increase	Decrease
Expenditures -					Revenues -				
Personal Services					County Taxes				
Operating Expenses					Federal				
Contractual Services					State				
Capital					Other	\$0		\$71,000	
Total	\$0	\$0	\$0	\$0	Total	\$0	\$0	\$71,000	\$0

Personnel Impact/FTE Changes:

None

Prepared By:

Agency: Airport	Division: Administration	Phone: 246-3384
Prepared by: Rick Fairchild	Date: 6/1/2020	Phone: 246-3391
Reviewed by: Gene Meyers	Date: 6/1/2020	