

DANE COUNTY
POLICY AND FISCAL NOTE

| | |
|--|-------------------------------|
| <input checked="" type="checkbox"/> Original <input type="checkbox"/> Update | Substitute No. _____ |
| Sponsor: Supervisor McCarville | Resolution No. 2024 RES-321 |
| Vote Required: Majority <input checked="" type="checkbox"/> | Ordinance Amendment No. _____ |
| Two-Thirds _____ 3/4 _____ | |

Title of Resolution or Ord. Amd.:

**AUTHORIZING FOURTH AMENDMENT OF OPERATING AGREEMENT AND
TERMINAL BUILDING LEASE OF AMERICAN AIRLINES, INC. AT THE
DANE COUNTY REGIONAL AIRPORT
Lease No. DCRA 2010-01**

Policy Analysis Statement:

Brief Description of Proposal -

Dane County and American Airlines have agreed to formally extend the current Lease Agreement, which has been in a month-to-month status since January 1, 2021, through December 31, 2025 to align the Lease Agreement's terms with other signatory air carriers operating at the Airport. All other terms of the Lease Agreement will remain unchanged.

Current Policy or Practice -

American Airlines, Inc. ("Airline") presently conducts operations at the Dane County Regional Airport pursuant to the Scheduled Airline Operating Agreement and Terminal Building Lease of American Airlines, Inc. (the "Lease Agreement"), which has continued on a month-to-month basis since January 1, 2021.

Impact of Adopting Proposal -

American Airlines will continue to provide scheduled commercial service and lease terminal space in the Airport terminal as a signatory airline operator.

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:

By switching from a non-signatory to signatory carrier, American Airlines will be paying the signatory rates for leased space and landing fees. The Airport assumes that the decrease in initial rates paid as a signatory airline will be offset by revenue guarantees, a potential increase in exclusive space rented, and a longer term.

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 | | | \$0 |
| Total | \$0 | \$0 | \$0 | \$0 | Total | \$0 | \$0 | \$0 | \$0 |

Personnel Impact/FTE Changes:

None

Prepared By:

| | | | |
|-----------------------------|--------------------------|-----------------|--|
| Agency: Airport | Division: Administration | | |
| Prepared by: Rick Fairchild | Date: 12/09/24 | Phone: 246-3384 | |
| Reviewed by: Gene Meyers | Date: 12/09/24 | Phone: 246-3391 | |