

RESOLUTION NO.: 62—2023-24

TO THE HONORABLE, THE OUTAGAMIE COUNTY BOARD OF SUPERVISORS

LADIES AND GENTLEMEN:

2/3 MAJORITY – 24 VOTES

1 The Appleton International Airport (the Airport) and Gulfstream Aerospace Services
2 Corporation desire to incorporate a Seventh Addendum to the South Hangar Premises
3 Agreement. This Addendum extends the term of the Agreement through August 31, 2027
4 with four (4) additional one (1) year options. The Addendum also includes construction of
5 additional on-site parking at the premises (“Parking Improvements”). The Parking
6 Improvements are estimated to cost approximately \$273,000. The Airport will fund
7 \$138,000 of the improvements and Gulfstream will fund \$135,000 of the improvements to
8 be paid back over the term commencing September 1, 2023 and expiring August 31, 2027
9 at four percent (4%) interest. Monthly rent related to the improvements will be \$3,048.17.
10 A budget adjustment is being requested for the period from September 1, 2023 to December
11 31, 2023 to increase the rent from Gulfstream. No budget adjustment related to the cost of
12 the improvements is needed as it was already included in the 2023 budget.

13
14 NOW THEREFORE, the undersigned members of the Property, Airport, Recreation and
15 Economic Development Committee recommend adoption of the following resolution.

16 BE IT RESOLVED, that the Outagamie County Board of Supervisors does approve the Seventh
17 Addendum to Lease Agreement between the Appleton International Airport and Gulfstream Aerospace
18 Services Corporation in order to extend the terms of the contract and construct additional on-site parking
19 at the premises, as noted on the attached Seventh Addendum to Lease Agreement which by reference is
20 made a part hereof, and

21 BE IT FURTHER RESOLVED, that the Outagamie County Board of Supervisors does authorize
22 and approve increasing the Airport Rental Properties Gulfstream South Hangar line item by \$12,193 and
23 decreasing the Airport Terminal Fund Balance Applied line item by \$12,193 as noted on the attached
24 fiscal note which by reference is made a part hereof, and

25 BE IT FINALLY RESOLVED, that the Outagamie County Clerk be directed to forward a copy of
26 this resolution to the Outagamie County Finance Director and the Appleton International Airport Director.

27 Dated this ____ day of October 2023

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Respectfully submitted,

PROPERTY, AIRPORT, RECREATION &
ECONOMIC DEVELOPMENT COMMITTEE

Dean Culbertson

Lee W. Hammen

Ronald Klemp

Yvonne Monfils

Jayson Winterfeldt

Duly and officially adopted by the County Board on: _____

Signed: _____
Board Chairperson

County Clerk

Approved: _____

Vetoed: _____

Signed: _____
County Executive

OUTAGAMIE COUNTY FISCAL NOTE

INTRODUCTION: This form must be attached to any resolution or ordinance which contains a spending or revenue proposal. The form should be completed by an individual within the department initiating the resolution or ordinance with assistance from the Financial Services Department. Contact the Finance Director (1674), Controller (1675) or Staff Accountant (1681) for assistance. Once completed, forward a copy of the form to the Financial Services Department for their review. Financial Services will forward a reviewed copy of the fiscal note to Legislative Services.

1. **Subject:** 7th Addendum to Gulfstream Aerospace South Hangar Agreement

2. **Description:** This section must be completed for all fiscal notes. Briefly and concisely describe the request. State assumptions used and discuss any current year and long-term fiscal impacts. (A separate attachment can be used)

The Appleton International Airport and Gulfstream Aerospace Services Corporation desire to incorporate a 7th addendum for the South Hangar Premises Agreement. This addendum extends the term of the agreement through August 31, 2027 with the four (4) additional one (1) year options. The addendum also includes construction of additional on-site parking at the premises ("Parking Improvements"). The Parking Improvements are estimated to cost approximately \$273,000. The Airport will fund \$138,000 of the improvements and Gulfstream will fund \$135,000 of the improvements to be paid back over the term commencing September 1, 2023 and expiring August 31, 2027 at four percent (4%) interest. Monthly rent related to the improvements will be \$3,048.17. A budget adjustment is being requested for the period from September 1, 2023 to December 31, 2023 to increase the rent from Gulfstream. No budget adjustment related to the cost of the improvements is needed as it was already included in the 2023 budget.

Current Year Budget Impact (Check one or more of the following boxes)

Revenues Expenses (Cost) None

- 3. Is the specific cost or revenue included in the current year's budget? yes (X) no () partially (X) n/a ()
- 4. If the proposal requests additional spending, can the additional cost be absorbed within the current year's line item? yes () no () n/a (X)
- 5. Is the proposal to accept additional revenues only? yes (X) no ()
- 6. Does this request modify/adjust the current year budget? yes (X) no () To be determined
If no, skip to question 8 below.

7. Detail current year budget changes. Please list cost center name, line item, account number and either the increase or decrease amount. (Please note that all budget adjustments must balance. For example, an increase in an expenditure account must be offset by a decrease in another expenditure account or the contingency fund or an increase in a revenue account or other funding sources such as fund balance applied.)

COST CENTER NAME	LINE ITEM (i.e. Salaries, Supplies, Etc.)	ACCOUNT NUMBER INCLUDING	INCREASE
		COST CENTER (i.e. 1004100.5100, 1004100.5400, etc.)	(DECREASE) AMOUNT
Airport Rental Properties	Gulfstream South Hangar	5000117.4467.17	12,193
Airport Terminal	Fund Balance Applied	5000110.8955	(12,193)

Annual and Long-Term Impact

- 8. Is the above Increase/Decrease a nonrecurring one-time expense or revenue? yes () no (x) n/a ()
- 9. What is the anticipated annual and/or long-term cost or revenue impact? Annual Cost 0
Annual Revenue \$36,578.04

Fiscal Note Prepared by: Abe Weber/Katie Horan

For Financial Services purposes only	
Reviewed By: <i>Cathryn Bong</i>	If expenditures are recorded in the financial system at a level of detail lower than the level 6 as shown above, indicate the specific account numbers and amounts below: <u>Detail Expenditures Account Number</u> <u>Amount</u>
Date: <u>10/9/2023</u>	
Comments:	

SEVENTH ADDENDUM TO LEASE AGREEMENT

THIS SEVENTH ADDENDUM (the "Seventh Addendum") is entered into this 27th day of September, 2023 (the "Effective Date"), by and between Gulfstream Aerospace Services Corporation ("GAC") and Outagamie County (the "County").

WITNESSETH:

WHEREAS, the parties entered into a Lease Agreement dated August 25, 1998 (the "Initial Lease") for an initial term of thirty-six (36) months commencing on September 1, 1998, with renewal options for five (5) additional terms of one (1) year each; and

WHEREAS, the parties entered into a First Addendum to Lease Agreement dated May 10, 2005 (the "First Addendum"), that extended the term of the lease for ten (10) additional terms of six (6) months each; and

WHEREAS, the parties entered into a Second Addendum to Lease Agreement dated July 1, 2006 (the "Second Addendum"), that extended the term of the lease for one (1) five (5) year extension, with renewal options for six (6) additional terms of six (6) months each; and

WHEREAS, the parties entered into a Third Addendum to Lease Agreement dated September 1, 2012 (the "Third Addendum"), that extended the term of the lease for one (1) two (2) year extension; and

WHEREAS, the parties entered into a Fourth Addendum to Lease Agreement dated September 9, 2014 (the "Fourth Addendum"), that extended the term of the lease for one (1) three (3) year extension; and

WHEREAS, the parties entered into a Fifth Addendum to Lease Agreement dated August 4, 2017 (the "Fifth Addendum"), that extended the term of the lease for one (1) four (4) year extension, with renewal options for four (4) additional terms of one (1) year each (each, a "Renewal Term"); and

WHEREAS, the parties entered into a Sixth Addendum to the Lease Agreement dated August 1, 2022 (the "Sixth Addendum") that added approximately 19,564 square feet of office and hangar space and 31,857 square feet of land, all located at W6412 Challenger Drive, Appleton, Wisconsin, known as the Challenger Premises; and

WHEREAS, the parties desire to incorporate this Seventh Addendum into the Initial Lease, First Addendum, Second Addendum, Third Addendum, Fourth Addendum, Fifth Addendum and Sixth Addendum (collectively, the "Lease"); and

WHEREAS, GAC and the County desire to construct a new parking area for the Premises and to further amend the Lease as provided herein; and

NOW, THEREFORE, in consideration of the mutual benefits, covenants, obligations and other good and valuable consideration of the parties, it is agreed as follows:

AGREEMENTS:

1. **Recitals.** The foregoing recitals are acknowledged to be accurate and are hereby incorporated by reference.
2. **Capitalized Terms.** Capitalized terms used in this Seventh Addendum and not defined herein shall have the meanings given to such terms in the Lease. From and after the date hereof, all references to the “Lease” in the Lease shall mean the Lease, as amended by this Seventh Addendum.
3. **Premises.** From and after the Effective Date of this Seventh Addendum, the Premises shall include the Parking Improvements, as defined in Paragraph 5 below.
4. **Term.** Article 2 of the Lease (including the amendments to Article 2), shall be deleted in its entirety, and replaced with the following:

“The term of this Lease shall commence on the first day of September, 1998, and shall expire on August 31, 2027 (the “Term”). Provided no GAC event of default pursuant to the terms of the Lease has occurred and is continuing as of the date GAC provides its notice to renew, GAC shall have the option to extend this Lease on the same terms and conditions, with the exception of the rental amount, for four (4) additional terms of one (1) year each (each a “Renewal Term” and collectively, the “Renewal Terms”) by giving County written notice at least sixty (60) days prior to the expiration of the Term, or the then current Renewal Term, as applicable, of its intent to renew the Lease. The definition of “Term” shall include any and all Renewal Terms, if exercised. GAC shall have the option to terminate the Appleton South Premises and/or the Challenger Premises at any time during the Term of this Lease, upon written notice to County at least sixty (60) days prior to the termination date.”

5. **Parking Improvements.** Commencing on the Effective Date of this Seventh Addendum, the County will proceed with the construction of sufficient onsite parking for GAC’s exclusive use at the Premises as more particularly described on Exhibit A attached hereto and incorporated herein by reference (the “Parking Improvements”). The County shall commence the Parking Improvements work on the Effective Date of this Seventh Addendum and reach substantial completion of the Parking Improvements no later than November 30, 2023. The parties agree that GAC may use the County’s existing overflow parking lot (as shown on Exhibit A) as needed until the Parking Improvements are fully completed and can be used for its intended purpose.
6. **Amortization of Parking Improvements.** The Parking Improvements are estimated to cost approximately Two Hundred Seventy-Three Thousand Dollars (\$273,000.00). The County has agreed to fund One Hundred Thirty-Eight Thousand Dollars (\$138,000.00) of the Parking Improvements using its own funds and amortize the remaining balance of

One Hundred Thirty-Five Thousand (\$135,000.00) at an interest rate of four percent (4%) over the Term, beginning September 1, 2023, and expiring August 31, 2027. The provisions of Article 3, Payment of Rent, shall be amended to add the additional rent for the Parking Improvements as set forth herein.

- 7. **Payment of Rental.** Article 3 of the Lease, Payment of Rental, shall be deleted in its entirety and replaced with the following:

“Commencing on the Effective Date of the Seventh Addendum, GAC agrees to pay the County monthly rental for the Premises in advance of the first day of each month as follows:

Date	South Rent	Challenger Rent	Parking Improvements	Total Monthly	Annual
9/1/23-8/31/24	\$14,607.34	\$14,021.81	\$3,048.17	\$31,677.32	\$380,127.84

Commencing September 1, 2024, the rental rate for the Premises during each of the Renewal Terms, if exercised, shall increase annually by two and one-half percent (2.5%) at the start of each Renewal Term as set forth in the chart below.

Date	South Rent	Challenger Rent	Parking Improvements	Total Monthly	Annual
9/1/24-8/31/25	\$14,972.52	\$14,372.36	\$3,048.17	\$32,393.05	\$388,716.60
9/1/25-8/31/26	\$15,346.83	\$14,731.67	\$3,048.17	\$33,126.67	\$397,520.06
9/1/26-8/31/27	\$15,730.50	\$15,099.96	\$3,048.17	\$33,878.63	\$406,543.61

Subject to Article 9 herein, rent shall be prorated for any month during which GAC has not occupied the Premises for the full month.”

- 8. **Repairs and Maintenance of Premises.** Article 5 of the Lease, Repairs and Maintenance, shall be amended by removing “Update fire alarm system” from the list of preventative maintenance and repair work to the Premises listed in Exhibit A of the Fifth Addendum. For avoidance of doubt, pursuant to the Fifth Addendum, Exhibit A, the County shall perform preventative maintenance to parking lot line striping and sidewalks, which includes the Parking Improvements. The remainder of Exhibit A of the Fifth Addendum remains unchanged and in full force and effect.
- 9. **Counterparts.** This Seventh Addendum may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, for the same effect as if all parties hereto had signed the same signature page. Any signature page of this Seventh Addendum may be detached from any counterpart of this Seventh Addendum without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Seventh Addendum identical in form hereto but having attached to it one or more additional signature pages. Signatures delivered electronically shall be legally binding as original signatures.

- 10. **Conflicts.** Except as expressly provided herein, the Lease shall remain unchanged and in full force and effect. In the event of any conflict or inconsistency between the provisions of the Lease and the provisions of this Seventh Addendum, the provisions of this Seventh Addendum shall govern and control.

IN WITNESS WHEREOF, the parties hereto have caused this Seventh Addendum to be duly executed as of the date first written above.

COUNTY:

OUTAGAMIE COUNTY

By: _____
Name: _____
County Executive

APPROVED AS TO FORM:

By: _____
Name: _____
Board Chairperson

By: 
Name: Kyle Sargent
Corporation Counsel

By: _____
Name: _____
County Clerk

GAC:

GULFSTREAM AEROSPACE SERVICES CORPORATION

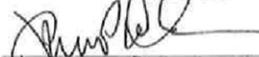
By: 
Name: James P. Whalen
Title: Assistant Secretary

Exhibit A

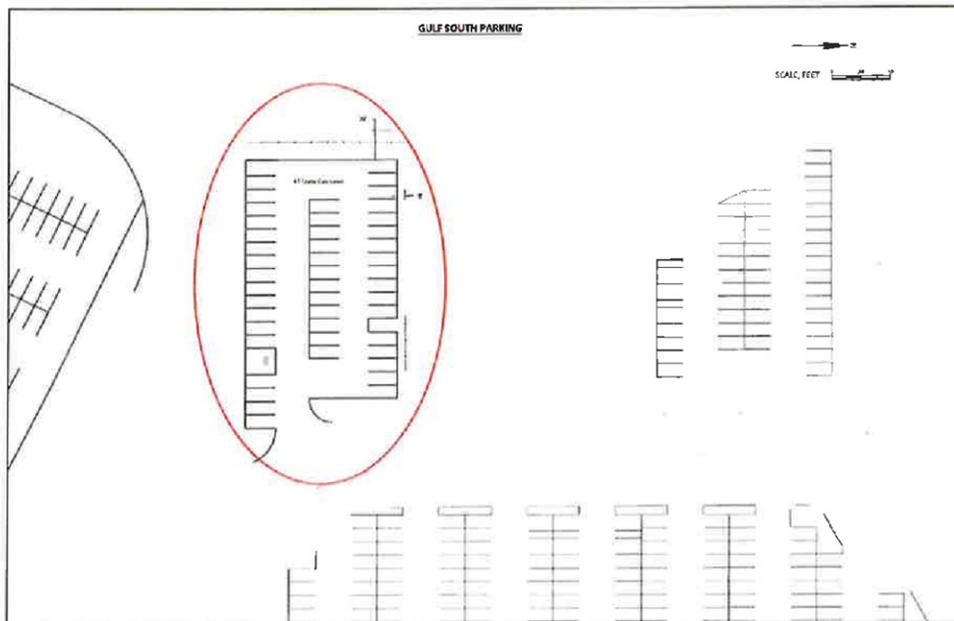
Parking Improvements

The County is to design and construct the Parking Improvements, which consists of a 47-car parking lot for GAC's exclusive use, located adjacent to the South Hangar as shown on the sketch below.

This work includes the following:

- All design and construction administration work needed to complete the project
- Relocation of utilities
- Excavation and addition of aggregate base (as necessary)
- Storm sewer extension and/or relocation
- Adding, removing, and/or relocation of fencing
- Landscaping to be consistent with Airport/County standards
- Biofilters (as necessary)
- Lighting (may be wall mounted or may be on light poles)
- Pavement and all pavement markings

Depiction of location of Parking Improvements to be constructed by the County:



Depiction of location of overflow parking that GAC may use until the Parking Improvements are completed is shown in blue below:



Figure 1: Overflow Parking Location