

COUNTY OF MILWAUKEE
DEPARTMENT OF TRANSPORTATION
AIRPORT DIVISION

ADDENDUM NO. 1
September 9, 2013

INVITATION TO SUBMIT PROPOSAL FOR THE
OPERATION OF A FIXED BASE OPERATOR FACILITY
AT GENERAL MITCHELL INTERNATIONAL AIRPORT
MILWAUKEE COUNTY, WISCONSIN

OFFICIAL NOTICE NO. 6862

TO ALL PROPOSERS:

Each proposer shall read this addendum in its entirety to determine to what extent the proposal and the agreement conditions will be affected. This Addendum also contains responses to questions from interested proposers.

RFP CHANGES

Page 9, Section 15: The deadline for submitting proposals is hereby amended and postponed until October 17, 2013. Therefore the date identified in Paragraph 2 of Section 15 shall be revised from "September 19, 2013" to "October 17, 2013".

Page 10, Section 17: The date contained in the second sentence and the third sentence is hereby revised from "September 19, 2013" to "October 17, 2013".

Page 11, Section 22: The schedule has been revised as follows:

09/03/13	Advertise for proposals
10/17/13 @ 1:00 p.m.	Proposals due
11/08/13	Complete evaluation and interviews
12/04/13	Recommend approval of selected proposer to Transportation & Public Works Committee
12/19/13	County Board approval
Winter/Spring 2014	Complete contract negotiations
Spring 2014	Agreement executed, construction of facilities, term begins

INFORMATIONAL DRAFT AGREEMENT CHANGES

Page 10, Paragraph 5.C.(3): In the first sentence, a period shall be placed after "Airport Director". The rest of the sentence ", the current operation shown on Exhibit A attached hereto as 'Area A-3.'" shall be deleted in its entirety.

Page 18, Paragraph 7.A.: The second sentence is hereby amended to read: "In the event said New Terminal Facility shall not be

substantially completed and occupied by a date to be determined by the parties (unless the failure to substantially complete was caused by environmental matters, delays in obtaining needed governmental permits or approvals, or force majeure causes outside of Lessee's reasonable control), this Agreement shall automatically terminate, subject to reinstatement by County's Board of Supervisors only."

General Questions

- Is there a date for a preliminary meeting and site visit?

There will not be a preliminary meeting; however, prospective proposers can individually schedule a tour of General Mitchell International Airport and the two parcels by contacting Steve Wright, Airport Properties Manager, at 414-747-5750.

- Will all addenda be posted to the Airport's website (<http://www.mitchellairport.com/airport-information/business-opportunities/>)?

Addenda will be posted to the Airport's website noted above.

- Please provide a copy of the current Minimum Standards for Commercial Aeronautical Activities.

Each prospective proposer may receive an emailed copy of the Minimum Standards for Commercial Aeronautical Activities upon request to Steve Wright, Airport Properties Manager, via email (swright@mitchellairport.com)

- It appears as though Parcel 2 of the required leasehold is currently leased by Skyway Airlines, Inc. Would the underlying ground lease transfer to the selected Proposer? Or would the selected Proposer be a subtenant of Skyway Airlines?

A Proposer may decide to obtain access to Parcel 2 in a number of ways: through purchase or sublease. If the successful proposer purchases the hangar from Skyways Airlines, then the airport will entertain the assignment of the land lease. If the successful proposer secures a sublease of the hangar of Skyway Airlines, then all of the provisions of the Skyway lease will prevail and the Base Operator agreement will be adjusted accordingly to reflect the direct rental of airport property associated with Parcel 1.

- According to the Dufek Realty brochure on the Skyway Airlines, Inc. hangar, the 2011 annual ground lease expense was \$68,827 plus \$6.00/SF NNN for the improvements, which is significantly higher than the rates specified in Informational Draft Agreement.

Please confirm the ground lease expense for Parcel 2, including the improvements, for the first year of operations.

The Information Draft Agreement reflects the current rate that is assessed to Base Operators on General Mitchell International Airport. Therefore, if the successful proposer secures the purchase of the Skyway hangar, then the most current Base Operator rate would be assessed. If the successful proposer secures the lease of the Skyway hangar, then the existing ground lease would continue to be assessed to Skyway Airlines as part of the existing agreement between Milwaukee County and Skyway Airlines, Inc.

- Please provide a copy of the ground lease for the Skyway Airlines, Inc. hangar.

A digital copy of the agreement between Milwaukee County and Skyway Airlines, Inc. is available upon request to Steve Wright, Airport Properties Manager, via email (swright@mitchellairport.com)

- According to Exhibit A in the Draft Agreement, Parcels 1 and 2 are not contiguous. There is a leasehold including a hangar in between the two parcels. Who is the owner of that leasehold? What is the remaining term of that leasehold?

Parcels 1 and 2 are not contiguous, however, are connected by the airport's perimeter road and a taxilane. The parcel located in between Parcel 1 and Parcel 2 is currently leased by Signature Flight Support and is used by the Aircraft Services International Group (ASIG).

- What is the ramp square footage on Parcel 1 and Parcel 2?

Parcel 1 ramp square footage = Approximately 110,000 s.f.
Parcel 2 ramp square footage = Approximately 62,000 s.f.

- The RFP document states that the Proposer shall have the opportunity to access the fuel pipeline for Jet A. Is there a fuel consortium? Who is the manager/operator of the consortium? What, if any, fees are associated with belonging to the consortium?

The fuel pipeline is owned by Equilon Enterprises, affiliated with Shell Oil. Currently the hydrant fuel system associated with airline fueling is owned by Milwaukee County and leased by the signatory airlines that occupy the terminal building at Milwaukee. The airlines have collectively hired ASIG to be the manager of their leased portion of the system. Any fuel loads purchased through the pipeline will need to be

coordinated with ASIG. Milwaukee County is currently negotiating a fuel consortium agreement with the signatory airlines

- Does the Airport have a standard fueling agreement? If so, please provide a copy.

The airport does not have a standard fueling agreement between Milwaukee County and the Base Operators. The Informational Draft Agreement contains the fueling requirements under Paragraph 5.C.

- Does the Airport have corporate hangars with self-fueling rights? Are the general aviation fuel receipts listed on page 13 of the RFP for the FBO operator only?

Federal regulations allow corporate hangars the right to self-fuel their aircraft and they are permitted to maintain their own refueling facilities within their Leased Premises. The 2012 general aviation gallons listed in page 13 of the RFP included the gallonage reported by the corporate hangar owners. There are currently nine corporate hangars that currently maintain their own fuel facilities.

- Please provide a list of all servicers who provide into-plane fueling for the commercial airlines.

Signature Flight Support
ASIG
Skytanking USA, Inc.

- Please provide fuel flowage statistics, segregated by FBO operator and corporate hangars, for 2007 - YTD 2013.

Fuel Breakout - Base Operator and Corporate Operator						
	2007	2008	2009	2010	2011	2012
Base Operator - Jet A	1,310,999.00	1,211,678.00	997,902.00	1,138,220.00	1,191,422.00	1,065,430.00
Base Operator - 100LL			32,535.00	25,758.00	32,329.00	16,035.00
Corporate Operator - Jet A	1,504,077.00	1,448,186.00	1,035,085.00	1,180,900.00	929,908.00	1,055,608.85
Corporate Operator - 100LL	32,463.00	30,555.00	36,839.00	32,292.00	39,213.00	24,702.00

- Please provide airline fuel gallons, by servicer, for 2007 - YTD 2013.

Airline fuel gallons by servicer						
	2007	2008	2009	2010	2011	2012
ASIG	80,662,537.00	72,282,548.00	71,588,388.00	86,178,970.00	72,845,585.00	30,310,759.00
Skytanking USA					8,695,809.00	31,475,490.00

- Please provide a Phase I for the Leased Premises. If a Phase I has not been conducted, will the selected Proposer have the opportunity to conduct a Phase I prior to entering the Lease Agreement?

A Phase I is not available for the two parcels; however, the successful proposer will have an opportunity to conduct a Phase I before entering into an agreement with Milwaukee County.

- Please provide drawings of the Leased Premises, including detailed description of access to all utilities.

A drawing of existing utilities is available upon request to Steve Wright, Airport Properties Manager, via email (swright@mitchellairport.com)

- Will hard costs and soft costs be included in the calculation of the required financial investments in Years 1 and 10? Please list any costs which are to specifically be excluded.

Hard and soft costs can be included. Soft costs must be reasonable to the total and the airport reserves the right to not include unreasonable soft costs. Soft costs to prepare a response to this Request for Proposal are not to be included.

- Please provide more specifics on what should be included in the Capital Development Plan.

The Informational Draft Agreement contains a requirement to construct a New Terminal Facility and does not necessarily dictate how much or on which parcel the New Terminal Facility must be constructed. The Capital Development Plan for both of the identified parcels can be proposed in descriptive form, or if necessary, through the provision of a schematic layout.

- The timeline in the RFP states that the Agreement will be executed in Spring 2014; the draft Agreement states that if the New Terminal is not substantially complete by July 1, 2014, the Agreement will terminate. Will the actual Agreement allow for a mutually agreed upon timeline based on when the document is executed?

The second sentence of Paragraph 7 contained in the Informational Draft Agreement shall now read, "In the event said New Terminal Facility shall not be substantially completed and occupied by a date to be determined by the parties (unless the failure to substantially complete was caused by environmental matters, delays in obtaining needed governmental permits or approvals, or force majeure causes outside of Lessee's reasonable control), this Agreement shall automatically terminate, subject to reinstatement by County's Board of Supervisors only."

- Will the County allow the selected Proposer to encumber the leasehold with a mortgage? Will the Airport enter into a Consent to Leasehold Mortgage and provide an Estoppel Certificate?

Milwaukee County has previously allowed leasehold mortgages under appropriate circumstances and has previously signed consents and estoppels certificates.