CITY OF RICHLAND CENTER - AGENDA ITEM DATA SHEET

Agenda Item: A Resolution Adopting Updated Airport Lease and Rental Fees and Establishing Ongoing Lease and Rental Fee Adjustments

Requested & Presented by: Darcy Perkins, Municipal Services Specialist

Meeting Date: Common Council on 11-03-2026

Committee Review: *Motion by Jarvis to recommend to the Common Council adoption of Resolution 2026-TBD, implementing updated airport lease and rental fees. Seconded by Hoffman. Motion carried 3-0 by voice vote.*

Background: Staff recommend increasing airport lease and rental rates by 3.3% effective January 1, 2027, subject to each lease's adjustment and notice provisions. The proposed rates fall within the City's adopted 0%–5% annual adjustment limits.

Recommended Adjustment Summary			
Lease Category	2026 Rate	Proposed 2027 Rate	Annual Adjustment
Private Hangar Ground Lease	$0.125/SF/year	$0.1291/SF/year	+$0.0041/SF
Heated Hangar Rental	$187.50/month	$193.69/month	+$74.28/year
Unheated Hangar Rental	$156.25/month	$161.41/month	+$61.92/year
Monthly hangar rents are rounded to cents; annual rent equals twelve monthly payments. Ground lease rates are rounded to four decimal places per square foot, with annual payments rounded to cents.			

The updated resolution also establishes automatic annual adjustments beginning January 1, 2028, using the Wisconsin Department of Revenue's certified CPI-U percentage change for the twelve months ending August 31 of the preceding year. Adjustments are limited to 0%–5% and calculated as follows:

New Rate = Prior Year's Rate × (1 + Annual Adjustment)

Staff would calculate rates, provide required notices, and implement adjustments without returning to Council annually, subject to each lease's provisions. Council retains authority to amend or repeal the rates and formula.

Department Recommendation: Staff recommend adoption of Resolution 2026-TBD approving the updated rates and authorizing staff to administer ongoing annual adjustments under the CPI-U formula and applicable lease provisions.

Financial Impact: Increase of annual lease and rental revenue.

Requested Action:

COUNCIL: Motion to adopt Resolution 2026-TBD, approving the updated rates and authorizing staff to administer ongoing annual adjustments under the CPI-U formula and applicable lease provisions.

Attachment(s):

- Resolution 2026-TBD Adopting Updated Airport Lease and Rental Fees and Establishing Ongoing Lease and Rental Fee Adjustments