

## **LRB – FISCAL REVIEW SECTION ANALYSIS**

**FEBRUARY 14, 2001 AGENDA**

**ITEM 23, FILE 001465**

**PUBLIC IMPROVEMENTS COMMITTEE**

**DAVID SCHROEDER**

Resolution approving Lease Agreement with U.S. Army Corps of Engineers for a parcel of 5.97 acres of bare ground located at 2372 S. Logan Avenue.

### **BACKGROUND**

1. The U.S. Army has occupied this parcel of land dating back to the 1950s. The Army has a small National Guard facility on the land.
2. The U.S. Army paid no rent for the old, long-term lease. This was the standard practice by the U.S. Government during that time.

### **DISCUSSION**

1. The Army had requested another 50-year lease with no rent. The Port felt that in this day and age a more equitable arrangement was needed.
2. The Port also decided that a 5-year deal was more beneficial, allowing for adjustments in the rent more readily.
3. The lease was approved by the Board of Harbor Commissioners at its meeting on January 23, 2001. The term of the lease runs October 1, 2000 through September 30, 2005.

### **FISCAL IMPACT**

1. The lease will produce an income of \$61,500 per year or \$307,500 over 5 years.

Cc: Marianne Walsh  
Kenneth Szallai  
Laura Engan

Prepared by:  
David Schroeder, X8680  
LRB Fiscal Review  
February 12, 2001