

**LRB – FISCAL REVIEW SECTION ANALYSIS**

**PUBLIC IMPROVEMENTS COMMITTEE**

**ITEM 30, FILE 041713**

**APRIL 20, 2005**

**ANGELYN WARD**

File #041713 is a resolution approving the Lease Agreement with North American Salt Company and the Port of Milwaukee.

**Background and Discussion**

1. This resolution approves the lease agreement with North American Salt Company for the use of 7 parcels of land, comprised of approximately 10.214 acres, located on the Port's South Harbor Tract.
2. North American Salt Company is a distributor of industrial and road salt and other bulk products, which includes receiving, handling, storage, packaging and delivery by rail cars, trucks and vessels. The company also operates a public scale that provides certified public weight for any type of vehicle.
3. North American Salt Company has been a tenant since March 4, 1985; its existing lease expired March 31, 2005. The Port of Milwaukee and North American Salt Company both agreed to extend the lease for an additional 20 years, from April 1, 2005 through March 31, 2025, with termination provisions, by either party, at the 5-year increments with adequate notice in writing. Termination may be exercised on a parcel-by-parcel basis, with rent adjusted proportionally, as well as on the total acreage.
4. Annual rent is estimated at \$143,583, a rate of \$11,965.31 per month, beginning April 1, 2005. Thereafter, the rent will be adjusted every fifth year according to the producer price index. Wharfage fees, charged on metric ton to all cargoes shipped over the property by ship or landborne conveyance, is \$178,560 per year, based on \$0.32 per 558,000 tons expected in 2005.
5. The Board of Harbor Commissioners approved the lease agreement at their March 4, 2005 meeting.

**Fiscal Impact**

1. The lease agreement is extended for 20 years, between North American Salt Company and the Port of Milwaukee, from April 1, 2005 through March 31, 2025.
2. Annual rent is estimated \$143,583 per year, adjusted every fifth year. Wharfage fees, charged on cargo tonnage, is estimated at \$178,560 per year.

Cc: Marianne Walsh      Eric Reinelt  
W. Martin Morics      Lawrence Sullivan  
Mark Nicolini          Hattie Billingsley

Prepared by: Angelyn Ward (286-8661)  
LRB – Fiscal Review Section  
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