

LRB – FISCAL REVIEW SECTION ANALYSIS

PUBLIC IMPROVEMENTS COMMITTEE

ITEM 33, FILE 030488

JULY 23, 2003

ANGELYN WARD

File #030488 is a resolution approving a lease agreement with the U.S. Navy and the Port of Milwaukee.

Background and Discussion

1. This resolution approves the lease agreement with the U.S. Navy for 5.9 acres of land located at 2401 S. Lincoln Memorial Drive.
2. The Board of Harbor Commissioners approved the lease at its June 27, 2003 meeting.
3. The term of the lease is for 15 years, October 1, 2003 through September 30, 2018.
4. The rent terms include:
 - For the first five years, from October 1, 2003 through September 30, 2008, the rent is \$67,860 per year, \$5,655 per month, paid quarterly.
 - For the second five years, from October 1, 2008 through September 30, 2013, the rent is \$76,776 per year, \$6,398 per month, paid quarterly.
 - For the third five years, from October 1, 2013 through September 20, 2013, the rent is \$91,176 per year, \$7,598 per month, paid quarterly
5. The U.S. Navy shall use the land for military training, equipment storage, buildings and vehicle parking that is associated with the Naval Armory and Reserve Center.

Fiscal Impact

1. The U.S. Navy lease will provide approximately \$1,182,060 in rent revenue over the 15 years of the lease.

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LRB-Fiscal Review Section
July 22, 2003