

June 4, 2007

To the Honorable Common Council
of the City of Milwaukee
Room 205 – City Hall

Re: Title Only Resolution Approving Lease Termination Agreement
Between the City of Milwaukee and the United States Army
Corps of Engineers

Dear Council Members:

Enclosed is a title-only resolution that we ask be introduced and referred to the proper Committee for consideration.

The above-referenced file pertains to an upcoming Lease Termination Agreement to be negotiated between the City of Milwaukee (through its Board of Harbor Commissioners) and the United States Army Corps of Engineers as a consequence of the closure of the former U.S. Army Reserve Center located at 2372 South Logan Avenue in the City of Milwaukee. This property is owned by the City of Milwaukee, is under the jurisdiction of the Board of Harbor Commissioners, and was the subject of a series of leases between the City and the U.S. Army Corps of Engineers commencing in 1950 up through and including May 9, 2007.

Prior to 1950, this parcel was open, unimproved vacant land. Subsequent to the inception of its tenancy, the U.S. Army constructed a complex of buildings and interconnecting tunnels upon this property, which was used for its own purposes. Various leases entered into between the City and the U.S. Army required the U.S. Army, upon the termination of its leasehold interest, to restore the property to its condition prevailing prior to the inception of that leasehold interest in 1950, *i.e.*, to that of open, unimproved vacant land. This would require the U.S. Army to remove its buildings, tunnels, and other improvements, and to assume ultimate responsibility for resolution of any secondary impacts associated with that removal process.

This lease termination agreement addresses these issues, including the manner by which this removal process shall be effectuated, and the respective responsibilities of the Port of Milwaukee and of the U.S. Army Corps of Engineers in conjunction with that process. This file will be filled once the parties have completed their

negotiations with respect to the terms and conditions of this Lease Termination Agreement and reduced those terms and conditions to a written instrument suitable to consideration and approval by the Common Council.

We are grateful for your consideration of and attention to this matter.

Very truly yours,

ERIC C. REINELT
Municipal Port Director

ER:
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