

LRB – FISCAL REVIEW SECTION ANALYSIS

PUBLIC IMPROVEMENTS COMMITTEE

ITEM 30, FILE 041526

MARCH 2, 2005

ANGELYN WARD

File #041526 is a resolution approving the Lease Agreement with Milwaukee Intermodal Terminal, LLC by Port of Milwaukee.

Background and Discussion

1. This resolution approves the lease agreement with Milwaukee Intermodal Terminal, LLC for use of the container yard, comprised of approximately 11 acres, and office space, approximately 3,300 square feet, at 1225 S. Carferry Drive on the Port's South Harbor Tract.
2. Milwaukee Intermodal Terminal, LLC provides intermodal terminal service which includes receiving, shipping, storing and handling freight, ocean, storage and containers to and from ship, rail and truck.
3. The existing lease expired December 31, 2002. The Port of Milwaukee and Milwaukee Intermodal Terminal, LLC have both agreed to extend the container yard operation for an additional year, from January 1, 2005 through December 31, 2005, with an automatic one-year extension.
4. Due to the short term of the new lease, Port staff and the tenant will have time to discuss the possible relocation of the yard to a more appropriate site.
5. Other terms of the lease include base rent of \$5.00 per container on flat cars and \$2.50 per trailer received or delivered by rail on flat car, on the basis of a minimum of 7,500 units per year.
6. The Board of Harbor Commissioners approved the amendment at their January 21, 2005 meeting.

Fiscal Impact

1. The amendment to extend the lease for one year, between Milwaukee Intermodal Terminal, LLC and the Port of Milwaukee, anticipates \$37,500 in annual revenue.

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LRB – Fiscal Review Section
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