



# THE PORT OF MILWAUKEE

October 7, 2008

Ref: STS/Lease

To The Honorable  
The Common Council  
City of Milwaukee

Dear Council Members:

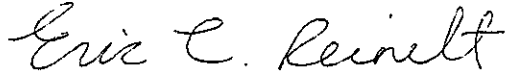
On August 17, 1990 the City through its Board of Harbor Commissioners entered into a Lease Agreement with Support Terminals Operating Partnership, L.P. & Garland Middendorf Jointly and Severally for ten acres of bare ground located at 1626 S. Harbor Drive. The term of this lease, with extensions, will run through 2015. This lease has been previously amended and assigned to Innovation Fuels, Inc. doing business as IFI Terminal Milwaukee, LLC.

IFI Terminal Milwaukee, LLC is in the process of purchasing the private terminal improvements constructed on the leasehold property now owned by NuStar Energy (successor to Support Terminals Operating Partnership) as a Port tenant.

The terms of sale for the improvements require an Amendment to the Lease Agreement and consent by the City to the Leasehold Mortgage.

At its meeting of October 8, 2008, the Board of Harbor Commissioners consented to the Leasehold Mortgage and approved the Amendment to Lease Agreement and authorized Port staff to notify the Common Council. It is therefore, placed before your Honorable Body for its ratification of the Board's actions. We respectfully request your consent to the Leasehold Mortgage, approval of this lease amendment, and authorization of the amendments execution by adoption of the attached resolution.

Respectfully submitted,



ERIC C. REINELT  
Municipal Port Director

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