

October 11, 2018

To the Honorable
Common Council
City of Milwaukee

Dear Council Members,

The U.S. Navy and the Board of Harbor Commissioners have agreed to a lease for a parcel of 5.90 acres of land for the Navy and Marine Corps Reserve Center (N&MCRC) located at 2401 South Lincoln Memorial Drive in Milwaukee. The new contract, U.S. Navy Contract No. N40085-18-RP-00071 (LI-10904) succeeds U.S. Navy Contract No. N62467-02-RP-00155 and contains conditions for the period of October 1, 2018 – September 30, 2019 with the option to renew for nineteen (19) additional one (1) year periods, consistent with Federal fiscal year requirements.

The total value of the 20-year contract (including options) is \$2,657,000; annual payments, which are expected to be paid quarterly in arrears, will escalate every five years according to the following schedule:

- Lease Year One: \$105,000/year
- Option Years One – Four: \$105,000/year
- Option Years Five – Ten: \$120,000/year
- Option Years Eleven – Fifteen: \$146,400/year
- Option Years Sixteen – Twenty: \$160,000/year

The lease was approved by the Board of Harbor Commissioners at its meeting on October 11, 2018. It is therefore, placed before your Honorable Body for its ratification of the Board's action. We respectfully request that you approve this Lease and authorize its execution by adopting the attached resolution.

Respectfully submitted,

Adam Schlicht
Director, Port Milwaukee

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