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Title: Substitute resolution to approve the execution of a second amendment to a lease agreement with Milwaukee World Festival, Inc.

Sponsors: ALD. MURPHY

Indexes: AGREEMENTS, LEASES, MILWAUKEE WORLD FESTIVAL BOARD

Attachments: 1. 5-4-09 Introduction Cover Letter, 2. 12-11-09 City Attorney Letter, 3. Fiscal note, 4. Second Amendment to lease Agreement, 5. EXHIBITS - Second Amendment to Lease Agreement, 6. 12-21-09 News release, 7. Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
5/5/2009	0	COMMON COUNCIL	ASSIGNED TO		
6/19/2009	0	PUBLIC WORKS COMMITTEE	HEARING NOTICES SENT		
6/19/2009	0	PUBLIC WORKS COMMITTEE	HEARING NOTICES SENT		
6/24/2009	0	PUBLIC WORKS COMMITTEE	REFERRED TO	Pass	3:0
11/25/2009	0	STEERING & RULES COMMITTEE	HEARING NOTICES SENT		
11/30/2009	0	STEERING & RULES COMMITTEE	HELD TO CALL OF THE CHAIR	Pass	6:0
12/16/2009	1	CITY CLERK	DRAFT SUBMITTED		
12/17/2009	1	STEERING & RULES COMMITTEE	HEARING NOTICES SENT		
12/21/2009	1	STEERING & RULES COMMITTEE	RECOMMENDED FOR ADOPTION	Pass	7:0
12/22/2009	1	COMMON COUNCIL	ADOPTED	Pass	14:0
1/5/2010	1	MAYOR	SIGNED		

090078
SUBSTITUTE 1
ALD. MURPHY

Substitute resolution to approve the execution of a second amendment to a lease agreement with Milwaukee World Festival, Inc.

This resolution provides the Common Council's approval, as required by sec. 30.38(6), Stats., of a Second Amendment to Lease Agreement ("Lease Amendment") between the Board of Harbor Commissioners ("Board") and Milwaukee World Festival, Inc. ("Festival").

The resolution also authorizes the proper City officers to execute the Lease Amendment. The Lease is for property commonly known as the Henry Maier Festival Grounds. The Lease Amendment extends the term of the Lease by ten (10) years so that the Lease term is thirty (30) years, commencing on January 1, 2001 and terminating on December 31, 2030. The ten-year extension is

contingent upon Festival completing a renovation of the south end of the festival grounds by December 31, 2015 with a corresponding expenditure of not less than \$10 Million. The Festival's annual rental payments are currently estimated to be \$1,542,700 in 2010, increasing to \$3,926,700 in 2030, subject to certain adjustments as set forth in the original Lease and reflected in Exhibit O-3 to the Lease Amendment attached to this file. In addition to Rent, the Lease Amendment also provides for an annual Supplemental Service Fee payment intended to offset a portion of the increasing costs of public safety related services to Festival's operations. The Supplemental Service Fee commences for year 2009 at \$100,000. The Fee then escalates by three percent through 2020, by four percent for the years 2021 through 2025, and by five percent for the final five years of the Lease. Pursuant to this escalation structure, Supplemental Service Fees would total \$3,176,057 over the remaining term of the Lease as set forth in Exhibit O-4 to the Lease Amendment attached to this file. The Lease Amendment also reserves to the City future development rights over an area of the Property identified on Exhibit T to the Lease Amendment attached to this file. The Lease was approved by the Board at its December 10, 2009 meeting.

Whereas, Representatives of the City, the Board of Harbor Commissioners ("Board") and Milwaukee World Festivals, Inc. ("Festival") have engaged in negotiations to extend and amend the January 1, 2001 Lease for the Henry Maier Festival Grounds (the "Lease Amendment"); and

Whereas, The Board approved the Lease Amendment at its December 10, 2009 meeting; and

Whereas, Pursuant to sec. 30.38(6), Stats., the Common Council must approve all such Board leases; now, therefore, be it

Resolved, That the Common Council hereby approves the Second Amendment to Lease Agreement between the City of Milwaukee, Board of Harbor Commissioners and Milwaukee World Festival, Inc. ("Lease Amendment") attached to this file and further authorizes the proper City officers to execute that Lease Amendment.

City Attorney
DMB
December 11, 2009
1070-2008-3449:152860