

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: October 14, 2013

TO: Supervisor Marina Dimitrijevic, Chairwoman, County Board of Supervisors

FROM: Don Tyler, Director, Department of Administrative Services

SUBJECT: Discovery World Ground Lease Assignment to the Milwaukee Public Museum

BACKGROUND

In November, 1994, Milwaukee County (County) entered into a Ground Lease (Lease) with the Museum of Science, Economics and Technology, aka Discovery World (DW). The Lease encompasses certain lots adjacent to the northeast side of the Milwaukee Public Museum (MPM) (please see Exhibit 1 of the Lease for a legal description). The term of the initial Lease was for 50 years, through the anniversary date of 2044. The term of the Lease automatically extended for two successive 25 year periods unless DW provided notice under the terms of the Lease. The Lease required DW to pay the County an annual rental of \$1.00. Additionally, DW is obligated to pay all costs and expenses associated with the property (Ownership Costs).

POLICY

Under the provisions of the Lease, in Section 13.01, DW does not have the authority to assign the Lease without the prior written consent of County.

CURRENT STATUS

DW has entered into negotiations with MPM for the purchase and sale of the building and improvements on the County property located at 815 N. James Lovell Street, Milwaukee, Wisconsin. DW has requested that the County consent to the assignment, with certain amendments, of the Lease to from DW to MPM.

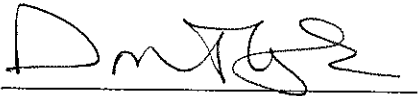
Amendments to the Lease are summarized as follows:

- **Permitted Use of Property.** The permitted use of the property as set forth in Section 5.01 of the Lease would be expanded to include any use by MPM to further the charitable and educational purposes of the organization as set forth in its by-laws. Additionally the Lease revises language specific to approvals required for building improvements, additions or renovations to align with the MPM Lease & Management Agreement.

- **Provisions for Abandonment.** Abandonment provisions in Section 7.02 would be deleted from the Lease.
- **Insurance Provisions.** The language in the Lease would be modified to align with the insurance provisions in the current MPM Lease and Management Agreement (see Amended Lease Agreement for more detail).
- **Initial and Extended Lease Terms.** The provisions would be revised to align with the current MPM Lease and Management Agreement, changing from what is noted above to an Initial Term through December 31, 2022 and four successive five year periods thereafter (see Amended Lease Agreement for more details).

RECOMMENDATION

The Department of Administrative Services respectfully requests the Milwaukee County Board approve the assignment of the Lease from DW to MPM.



Don Tyler, Director
Department of Administrative Services

Attachments:

Resolution
Fiscal Note
Amended Ground Lease Agreement

cc: Chris Abele, County Executive
Josh Fudge, Budget Director, DAS
Amber Moreen, Chief of Staff, County Executive Office
Paul Bargren, Corporation Counsel
Mark Grady, Deputy Corporation Counsel
Dennis Dietscher, Risk Management, DAS
Jay Williams, President, Milwaukee Public Museum
Mike Bernatz, Chief Financial Officer, Milwaukee Public Museum