

From the Director, Department of Transportation, requesting authorization for the Airport Director, General Mitchell International Airport, to execute a short-term Loan Agreement with MKE Fuel to facilitate the purchase of an off-airport fuel storage facility currently owned by Equilon Enterprises, a division of Shell Oil Company, by recommending adoption of the following:

A RESOLUTION

WHEREAS, the fuel used at General Mitchell International Airport (GMIA) is housed at an off-airport storage facility owned by Equilon Enterprises, a division of Shell Oil Company (Shell); and

WHEREAS, it is then transported via an underground pipeline to our County-owned fuel distribution facility; and

WHEREAS, the off-airport storage facility and the underground pipeline are owned by Shell (collectively the EQ Assets); and

WHEREAS, Shell has informed Milwaukee County (the County) and the airlines at GMIA that it would close the off-airport facility by December 31, 2016, and put the EQ Assets up for sale; and

WHEREAS, rather than see the EQ Assets purchased by a third party, the airlines expressed an interest to the County that GMIA facilitate the purchase of the EQ Assets by a fuel consortium - an entity formed by the airlines; and

WHEREAS, there is a time element to this deal that requires action by the County; and

WHEREAS, according to the proposal the fuel consortium would repay the County for the loan of the funds to purchase the EQ Assets; and

WHEREAS, the transaction would result in a sale of the EQ Assets to the fuel consortium; and

WHEREAS, the consortium would be responsible for operating and maintaining the EQ Assets, and they would be accountable for any environmental liability associated with the EQ Assets; and

WHEREAS, a fund transfer (File No. 16-621) has been separately requested for the purpose of allowing the County to lend the funds to the fuel consortium for 120 days, with full collateral security; and

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46 WHEREAS, the Committee on Finance and Audit, at its meeting of October 31,
47 2016, recommended adoption of the Director's request (vote 7-0); now, therefore,
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49 BE IT RESOLVED, the Director, Department of Transportation, and Airport
50 Director, General Mitchell International Airport, are authorized to enter into a short-term
51 Loan Agreement with MKE Fuel for the purposes of aiding MKE Fuel in the purchase of
52 the fueling assets owned by Shell (collectively EQ Assets); and
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54 BE IT FURTHER RESOLVED, the loan is contingent upon agreement that MKE
55 Fuel operates the fuel system in the same manner as EQ Assets and that said
56 agreement is signed protecting Milwaukee County of its interest.
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