



Milwaukee County

Legislation Text

File #: 11-378, **Version:** 1

From the Director, Department of Transportation and Public Works, and the Airport Director requesting authorization to enter into a lease agreement with Air Cargo Carriers (ACC) Holding, Inc., for the lease of approximately 2,800 square feet of office/classroom space (Building 305) at the former 440th Air Reserve Station (ARS) effective October 1, 2011.

POLICY

County Board approval is required for Milwaukee County to enter into a building lease agreement with ACC Holding, Inc. for an office/training building at the former 440th Air Reserve Station (ARS) at General Mitchell International Airport (GMIA).

BACKGROUND

ACC Holding, Inc. (Air Cargo Carriers) is a cargo airline headquartered in Milwaukee with its main base of operations at General Mitchell International Airport. It was established in 1986 and is the largest civilian operator of Shorts aircraft in the world.

Currently Air Cargo Carriers occupies two hangers in the Northwest section of GMIA as well as office and warehouse space at the former 440th ARS. Their intent was to consolidate much of their office and warehouse operations in one location, at the former 440th ARS.

In addition to Air Cargo Carriers cargo operations they also have contracts with the Department of Defense to assist with their military efforts. Because of these activities Air Cargo Carriers pilots are required to be trained and certified in the use of firearms. Building # 305, the former operational training building, lends itself perfectly to allow Air Cargo Carriers the ability to train their pilots, in a classroom setting, on site in a secure area.

RECOMMENDATION

Airport staff recommends that Milwaukee County enter into a lease agreement with ACC Holding, Inc., effective October 1, 2011, for the lease of approximately 2,800 square feet of office/classroom space, at the former 440th Air Force Reserve Base, under standard terms and conditions for County-owned land and building space, inclusive of the following:

1. The term of the triple net lease agreement shall be for three (3) years, effective October 1, 2011, and ending September 30, 2014, with one (1) two-year mutual renewal option.
2. Any furniture, office equipment, or any other material identified will be inventoried in the office building and made available to ACC Holding, Inc. at no charge, to be returned at the conclusion of the lease.
3. Rental for the approximately 2,800 square feet of space in the building will be established at: \$2.00/sq. ft. for an approximate total of \$5,600 for the first year of the lease. An option to extend the lease term

for an additional two years shall be at the fair market value lease rate to be determined.

4. The lease agreement shall contain the current standard insurance and environmental language for similar agreements. Under these terms of this triple net lease agreement ACC Holding, Inc. will be responsible for the cost of insurance, utilities and common area maintenance charges.

FISCAL NOTE

Rental revenues will be approximately \$5,600 for the first year of the agreement.

Prepared by: Ted J. Torcivia, Airport Business Manager

Approved by:

Jack Takerian, Director
Transportation and Public Works

C. Barry Bateman
Airport Director

H:\Private\Clerk Typist\Aa01\TPW&T 11\Sept 2011\REPORT - ACC Holding 305 Lease 440th.doc