



Milwaukee County

Legislation Text

File #: 11-78, Version: 1

From the Director, Department of Transportation and Public Works, and the Airport Director, requesting authorization to enter into a lease agreement with ACC Holding, Inc., for the lease of approximately 23,675 square feet of office space (**Building 102**) and approximately 125 spaces of paved parking at the former 440th Air Force Reserve Base effective May 1, 2011, at General Mitchell International Airport (GMIA).

POLICY

County Board approval is required for Milwaukee County to enter into a building and parking lease agreement with ACC Holding, Inc. for an office 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 at GMIA as well as off-site office space. Their intent is to consolidate much of their office operations in one location. The north half of the wing headquarters building (building 102) at the former 440th ARS lends itself perfectly to meet their office space needs.

The approximately 22,195 square foot area is expected to accommodate up to one hundred twenty (120) employees. Of the personnel occupying the space at least twenty (20) new positions are expected to be created.

RECOMMENDATION

Airport staff recommends that Milwaukee County enter into a lease agreement with ACC Holding, Inc., effective May 1, 2011, for the lease of approximately 23,675 square feet of office (building 102) and approximately 125 spaces of paved parking 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 May 1, 2011, and ending April 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 23,675 square feet of space in the building will be established at: \$5.06/sq. ft. for an approximate total of \$119,795 for the first year of the lease; \$6.08/sq. ft. for an approximate total of \$143,944 for the second year of the lease; and, \$7.08/sq. ft. for an approximate total of \$167,619 for the third 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. Approximately one hundred twenty-five (125) spaces of paved parking area will be provided at no charge for the duration of the lease.
5. 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 \$119,795 for the first year of the agreement.

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Approved by:

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Transportation and Public Works

C. Barry Bateman
Airport Director

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