



# Milwaukee County

## Legislation Text

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File #: 11-93, Version: 1

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From the Director, Department of Transportation and Public Works, and the Airport Director, requesting authorization to enter into a new land lease agreement with Freight Runners Express, Inc., for the rental of approximately 19,533 square feet of land for a hangar Freight Runners previously acquired through an Assignment of Lease located at General Mitchell International Airport.

### **POLICY**

County Board approval is required for Milwaukee County to enter into new long-term lease agreements with tenants at General Mitchell International Airport (GMIA).

### **BACKGROUND**

On January 16, 1989, Milwaukee County entered into Airport Agreement No. HP-980 with Mechanical Industries for the lease of land on which to construct an aircraft hangar at GMIA. The initial term of the agreement was for five (5) years beginning December 1, 1988, and ending November 30, 1993, with the option to renew the agreement for three (3) additional five (5) year terms.

HP-980 was then assigned per an Assignment of Lease to Freight Runners Express, Inc. (Freight Runners) effective February 16, 1995. Freight Runners subsequently exercised a five-year renewal option of the agreement on July 15, 1994, and the agreement expired on November 30, 2010. A month-to-month extension was entered into in order to accommodate this transaction. Freight Runners is now requesting that the 19,533 square feet of land leased under HP-980 be included in a new lease commencing December 1, 2010, and ending November 30, 2025.

Freight Runners is currently a tenant of GMIA and owns and leases several hangars in the northeast hangar area to support its air freight operation. Freight Runners has requested to expand its commercial aeronautical services by offering aircraft management services as well as airframe and engine maintenance and repair and/or modification services.

### **RECOMMENDATIONS**

1. Airport staff recommends that Milwaukee County enter into a new lease with Freight Runners Express, Inc., for the 19,533 square feet of land previously leased under Airport Agreement No. HP-980, under the standard terms and conditions as other hangar plot agreements at General Mitchell International Airport, inclusive of the following:
  - a. The term of the agreement shall be for fifteen (15) years, effective December 1, 2010.
  - b. Rental for the 19,533 square feet of land on which the hangar is located shall be at \$0.2528 per square foot per annum (based upon the latest appraised fair market

value), subject to adjustment each July 1 based upon the Consumer Price Index (All Urban Consumers) for the Milwaukee area, which is computed by comparing the then-current January index with the index of the preceding January.

- c. The agreement shall contain the current standard insurance and environmental language for similar hangar land lease agreements.

**FISCAL NOTE**

Airport revenue will be \$4,937.94 per year.

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Approved by:

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Jack Takerian, Director  
Transportation and Public Works

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C. Barry Bateman  
Airport Director

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