



Milwaukee County

Legislation Text

File #: 11-94, Version: 1

From the Director, Department of Transportation and Public Works, and the Airport Director, requesting authorization to sell Everbrite Investment Co.'s hangar facility at General Mitchell International Airport (GMIA) to Freight Runners Express, Inc., and enter into a new lease agreement for the rental of approximately 10,000 square feet of land on which the hangar is located.

POLICY

County Board approval is required for hangar sale transactions and for the issuance of long-term lease agreements with tenants at General Mitchell International Airport (GMIA).

BACKGROUND

Freight Runners Express, Inc. (Freight Runners) is requesting to enter into an agreement for the lease of approximately 10,000 square feet of land at GMIA on which to operate and maintain an aircraft hangar upon County Board approval of the sale of the aircraft hangar from Everbrite Investment Co. (Everbrite) to Freight Runners. The new agreement shall be for an initial term of fifteen (15) years, commencing upon the date of sale between Everbrite and Freight Runners.

Freight Runners is a current tenant of GMIA, which owns and leases several hangars in the northeast hangar area to support its air freight operation.

RECOMMENDATIONS

1. Airport staff recommends that Milwaukee County approve the purchase of the Everbrite hangar by Freight Runners.
2. Airport staff further recommends that Milwaukee County enter into a new lease agreement with Freight Runners under the standard terms and conditions as other hangar plot lease agreements at General Mitchell International Airport, inclusive of the following:
 - a. The term of the agreement shall be for fifteen (15) years, effective on the date of sale.
 - b. Rental for the 10,000 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 on the increase or decrease in 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 ground rental revenue will be \$2,528 per year.

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Approved by:

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Director Transportation and Public Works

C. Barry Bateman
Airport Director

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