

Leases of Federal Buildings on Mound Site

In 1994, under the authority of Section 649 of the Department of Energy Organization Act (Public Law 95-91) and the National Defense Authorization Act of 1994 (Public Law 103-160) Section 3154 (also known as the Hall Amendment) the U.S. Department of Energy entered into a General Purpose Lease with the Miamisburg Mound Community Improvement Corporation (MMCIC), which is a non-profit organization that serves as the Community Reuse Organization for the City of Miamisburg. The Lease allows for MMCIC to lease, and then sublease out, site buildings from DOE as they are cleaned and deemed reusable by DOE and the EPA (a process called “binning”).

The DOE reviews and approves all subleases before they take effect to ensure that the sublessees’ planned activities are not harmful to human health or the environment. Likewise, potential sublessees are made aware of the remediation activities being performed on site by DOE and its contractors. Safety protocols are in place to ensure all parties perform their work in a safe and conscientious manner. Additionally, there are many opportunities for the MMCIC, DOE and the site contractor to work together on activities of mutual interest (i.e., committees that meet regularly).

At present, DOE leases 18 buildings around the site to the MMCIC, as follows:

<u>Building</u>	<u>Use</u>
DS	Lab, office, metrology/calibration (Only partially leased - other space occupied by the DOE site contractor)
COS	Office and flexible tape lab
GH	Office
GP-1	Firing Range
3	Powder processing and storage
27	Powder processing facility
28	Machine shop (old ceramics shop)
49	Office/machine shop
60	Machine shop (vacant)
63E	Production facility
63W	Surveillance facility
80-84	Magazines (storage bunkers)
87	Testing facility (pyrotechnics)
89	Storage/warehouse
104	Maintenance shop

The Lease itself consists of set of General Terms and Conditions. Each building lease also contains an inventory of personal property which may have been leased in place (or identified as low value and transferred to the MMCIC at the time of the lease), a Limits of Operations, a description of any preventative maintenance requirements, a Real Property Condition Report, and a Phase I Environmental Assessment. A separate lease exhibit contains all current utilities charges, including electric, gas, grounds maintenance, and telephone. (These charges are passed through the MMCIC to the tenants).

The Lease requires that the tenants perform all routine building and infrastructure maintenance, except that DOE (and its site contractor) will maintain the “exterior superstructure” of the building (which consists mostly of patching or repairing roofs). Also, unless the tenant opts to provide their own, the site contractor provides roads and grounds services, including snow removal and grass cutting, for the area adjacent to the leased building. The costs for these services are recovered from the tenant/MMCIC.

While tenants must follow some of DOE’s rules when on the site (such as staying out of restricted areas and using a Mound-issued picture badge to come on and off site), companies are able to have quiet enjoyment of their leased area.

With limited exceptions, the site contractor has little or no direct contact with the tenants; most issues are worked directly with the MMCIC (i.e., if the site contractor needs to shut down a roadway or parking lot used by tenants so that they can do some sample drilling). And while DOE safety rules do not strictly apply to the MMCIC or tenants, the site contractor will occasionally perform limited oversight of tenant activities, such as when they are hoisting a new chiller onto the roof of a leased building. The site contractor also reviews all building modification requests from the MMCIC before work begins on a leased building to ensure that all safety precautions are in place and that proper work practices are followed.