

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: February 14, 2025

To: Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors

From: Guy Smith, Executive Director for Milwaukee County Parks

Subject: From the Executive Director of Milwaukee County Parks, requesting authorization to enter into a Lease and Vendor Permit with Ferch's Beachside LLC for concessions operations at Grant Park Pavilion

File Type: Action Report

REQUEST

From the Executive Director of Milwaukee County Parks requesting authorization to enter into a Lease and Vendor Permit with Ferch's Beachside LLC for concessions operations at Grant Park Beach Pavilion.

POLICY

Wisconsin State Statutes:	
Milwaukee County Code of General Ordinances:	
Specific Adopted Budget:	
Specific Adopted Budget Amendment:	
Specific Adopted Capital Project:	

BACKGROUND

Ferch's Beachside, LLC is a family-owned business of the Ferchoff family. The family has a substantial and highly successful track record as a restaurant operator in several Milwaukee County locations for more than 37 years. Ferch's Beachside has demonstrated its ability to run a top-notch and consistently successful business at Grant Park as the concessions' vendor since 2015. Ferch's recently completed its 10th season this past year and reached an all-time revenue in excess of \$420,000 resulting in a significant commission payment to Milwaukee County Parks. Over the course of the past 10 years, approximately \$255,000 in rent has been paid to the County under a recently expired lease and concession agreement. Ferch's Beachside has also made approximately \$110,000 worth of capital improvements to the facility over the past 10 years.

In August 2024, Milwaukee County Parks issued a Request for Proposal for beach concessions operations at Grant Park and Ferch's Beachside LLC responded to the RFP to continue operations. Ferch's Beachside was selected as the winner of the RFP

based on their submission.

The term of the Lease and Vendor Permit is five (5) years with an optional five (5) year renewal that will be two 2-year renewal terms and one 1 year renewal term. The Vendor will complete a roof replacement, bathroom renovations, and exterior painting which is to be funded upfront by the Vendor and to be completed by December 31, 2025. Once completed, Ferch's Beachside will receive a commissions credit for their investment into the concessions and restroom building at Grant Park beach.

The Vendor shall pay the County a commission in an amount equal to fifteen percent (15%) of all Gross Receipts on sales of alcoholic beverages, and ten percent (10%) of Gross Receipts on all other sales (the "Commission").

Ferch's will also make capital improvements during the renewal terms. Vendor will make fifty thousand dollars (\$50,000) worth of capital improvements during the renewal terms. Twenty Thousand dollars (\$20,000) for the first two-year renewal term, Twenty Thousand dollars (\$20,000) for the second two-year renewal term, and ten thousand dollars (\$10,000) for the final one-year renewal term

The Parks Director recommends that Parks be authorized to execute a Lease and Vendor Permit with Ferch's Beachside LLC for a term of five (5) years with an optional five (5) year renewal that is broken down by a two 2-year renewal terms and one final 1 year renewal term, for a concessions operation at Grant Park beach house.

Related File No's:	File 15-295
Associated File No's (Including Transfer Packets):	
Previous Action Date(s):	

ALIGNMENT TO STRATEGIC PLAN

Describe how the item aligns to the objectives in the [strategic plan](#):

- 1C: Increase the number of County contracts awarded to minority and women-owned businesses
- 3B: Enhance the County's fiscal health and sustainability

FISCAL EFFECT

The 2025 budget has already included the commission payments and during the term of the permit and lease, the commission payments will increase Parks Operating budget.

TERMS

- 5-year initial term
- 2 two-year renewal options and 1 final one year renewal term (totaling 5 years)
- Roof replacement, bathroom renovation and exterior painting funded by the Vendor which is to be completed by December 31, 2025. This total investment will come as a commission credit until value is recovered by vendor.
- In lieu of rent, the Vendor shall pay the County a commission in an amount equal to fifteen percent (15%) of all Gross Receipts on sales of alcoholic beverages, and ten percent (10%) of Gross Receipts on all other sales (the "Commission").
- \$50,000 dollars of capital improvements during the renewal term.

VIRTUAL MEETING INVITES

Betty Ferchoff, Owner, betty@ferchs.com

Claude J. Krawczyk, Attorney, claudio.krawczyk@wilaw.com

PREPARED BY:

Robert Senglaub, Contracts Manager, Milwaukee County Parks

APPROVED BY:

Guy Smith, Executive Director Milwaukee County Parks *Guy Smith*

ATTACHMENTS:

Resolution

Fiscal Note

Lease and Vendor Permit

PowerPoint

CC: David Crowley, County Executive
Mary Jo Meyers, Chief of Staff, County Executive's Office
Sheldon Wasserman, Committee on Parks & Culture Chairperson
Steve Taylor, Committee on Parks & Culture Vice Chairperson
Priscilla Coggs-Jones, Committee on Parks & Culture Member
Jack Eckblad, Committee on Parks & Culture Member
Felesia Martin, Committee on Parks & Culture Member
Juan Miguel Martinez, Committee on Parks & Culture Member
Anne O'Connor, Committee on Parks & Culture Member
Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors
Janelle M. Jensen, Legislative Services Division Mgr, Office of the County Clerk
Aaron Hertzberg, Director, Department of Administrative Services
Joseph Lamers, Fiscal & Budget Director, DAS
Vince Masterson, Fiscal & Strategic Asset Coordinator, DAS
Pamela Bryant, Capital Finance Manager, Comptroller's Office
Justin Rodriguez, Capital Finance Analyst, Comptroller's Office
Allyson R. Smith, Committee Coordinator, Office of the County Clerk
Anthony Rux, Budget & Management Analyst, DAS-PSB
Sandy Saltzstein, Research and Policy Analyst