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(ITEM) From the Director, Department of Transportation, and the Interim Airport Director requesting authorization to enter into an agreement with InMotion MKE, LLC, for the development and operation of a specialty retail electronics concession on Concourse C and Concourse D at General Mitchell International Airport for a term of seven years, with the option to extend the agreement for three additional one-year terms, by recommending adoption of the following:

A RESOLUTION

WHEREAS, Milwaukee County solicited proposals from interested parties under Official Notice No. 6894 to develop and operate a specialty retail electronics concession in the Concession Mall, and on Concourse C and Concourse D at General Mitchell International Airport; and

WHEREAS, two proposals were received by the July 10, 2014, due date from InMotion Entertainment, LLC, for the locations on Concourse C and Concourse D, and Hudson Group Retail, LLC, for the locations in the Concession Mall, and on Concourse C and Concourse D; and

WHEREAS, the Community Business Development Partners (“CBDP”) staff established an Airport Concessions Disadvantaged Business Enterprise (“ACDBE”) goal of 21% for this concession; and

WHEREAS, contingent on award of an agreement with Milwaukee County, InMotion Entertainment, LLC, committed to partnering with APW Holdings, a certified ACDBE to create a Joint Venture to be known as InMotion MKE, LLC; and

WHEREAS, the proposals were rated by an evaluation committee composed of Airport staff with input from the Airport concessions consultant, Unison Consulting, Inc.; and

WHEREAS, after careful deliberation, the evaluation committee is recommending that the concession be awarded to InMotion MKE, LLC; and

WHEREAS, the Committee on Transportation, Public Works, and Transit, at its meeting of September 10, 2014, recommended adoption of the Department’s request (vote 7-0); and

WHEREAS, the Committee on Finance, Personnel, and Audit, at its meeting of September 18, 2014, also recommended adoption of the Department’s request (vote 9-0); now, therefore,

BE IT RESOLVED, that the Director of Transportation and the County Clerk are hereby authorized to enter into an agreement with InMotion MKE, LLC, for the

47 development and operation of a specialty retail electronics concession on Concourse C
48 and Concourse D at General Mitchell International Airport, under standard conditions for
49 similar concessions, inclusive of the following:

- 50
51 1. The agreement will be for a term of seven years with the option to extend the
52 Agreement for three additional terms of one year each at the County's sole
53 discretion.
- 54
55 2. InMotion MKE, LLC, shall pay to the County annually the greater of a Minimum
56 Annual Guarantee of \$140,000 or 11% of gross receipts derived from retail sales
57 up to \$1.3 million on Concourse C and 13% of gross receipts derived from retail
58 sales greater than \$1.3 million, and 11% of gross receipts derived from retail
59 sales up to \$1.0 million on Concourse D and 13% of gross receipts derived from
60 retail sales over \$1.0 million.
- 61
62 3. The Minimum Annual Guarantee will be \$140,000 for the first year of the
63 Agreement, and will be adjusted annually to a sum of money equal to 85% of the
64 total fees payable for the previous 12 month period, but will not be less than
65 \$140,000.
- 66
67 4. InMotion MKE, LLC, will invest approximately \$595,000 in developing and
68 equipping the stores.
- 69
70 5. Within 120 days of completion of the improvements, InMotion MKE, LLC, shall
71 submit a certified cost statement to the Airport Director, showing the cost of
72 construction, which shall be the basis for establishing a written amortization
73 schedule. The costs of all leasehold improvements shall be amortized on a
74 straight-line basis over a seven-year period commencing as of the Date of
75 Substantial Beneficial Occupancy of the facility.
- 76
77 6. InMotion MKE, LLC, shall make a good faith effort to adhere to the Airport
78 Concessions Disadvantaged Business Enterprise ("ACDBE") program submitted
79 with its proposal, which assures that 21% of the gross receipts derived from the
80 operation of its business at the Airport be attributed to the ACDBEs certified by
81 Milwaukee County throughout the agreement term.
- 82
83 7. InMotion MKE, LLC, shall maintain appropriate insurances as determined by the
84 County's Risk Manager, and comply with all federal, state, and local laws and
85 ordinances.

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