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(ITEM) From the Director, Department of Transportation, and the Interim Director requesting authorization to extend Airport Agreement No. CN-1906 between Milwaukee County and SSP, Inc., at General Mitchell International Airport for a term of five (5) years commencing November 1, 2019, and ending October 31, 2024, by recommending adoption of the following:

A RESOLUTION

WHEREAS, on November 30, 2009, Milwaukee County entered into Airport Agreement No. CN-1906 with SSP America, Inc. (SSP America), for the provision of food and beverage services at General Mitchell International Airport (GMIA); and

WHEREAS, on September 24, 2009, [File No. 07-283(a)(g)] and December 16, 2010, [File No. 07-283(a)(h)] the County Board authorized amending Airport Agreement No. CN-1906 to reduce space in the Concession Mall for reassignment to Host International and to add space on each of the three concourses because of anticipated greater needs for additional food and beverage on the concourses; and

WHEREAS, due to recent airline mergers and service reductions at GMIA, the locations awarded to SSP America on Concourse E and Lower Level Concourse D were never needed, and on April 24, 2014 (File No. 14-253), the County Board authorized amending the agreement to reduce space on Lower Level Concourse D, reduce the Minimum Annual Guarantee associated with the space, and reduce the amount of SSP America’s investment in the facilities due to the reduction in space; and

WHEREAS, when SSP America proposed developing food and beverage facilities in 2008, SSP America estimated the annual sales that would be required in order to realize a profitable return on the investment; and

WHEREAS, SSP America built and currently operates Colectivo Coffee (formerly Alterra) in the Concession Mall and on Concourses C and D, Northpoint in the Concession Mall, Nonna’s Restaurant on Concourse D, and Pizzeria Piccola/Auntie Anne’s on Concourse C; and

WHEREAS, from 2009 through 2013 SSP America realized a revenue shortfall of approximately \$12 million from its anticipated sales, with the largest discrepancy between projected and realized sales occurring on Concourse D due to reduced enplanements resulting from the Midwest/Frontier de-hubbing and air service reductions; and

WHEREAS, SSP America is requesting one additional five (5) year term for SSP America and its Airport Concessions Disadvantaged Business Enterprise partner to realize a return on the investment; and

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WHEREAS, SSP America believes that the extension is warranted at this time because SSP has been an exemplary tenant, has fulfilled all of its contractual obligations, and has never requested financial relief despite lagging behind in its revenue projections; now, therefore,

BE IT RESOLVED, that the Director, Department of Transportation, and the County Clerk are hereby authorized to amend Airport Agreement No. CN-1906 between Milwaukee County and SSP America, Inc. (SSP America), as follows:

1. The agreement will be extended for a term of five (5) years commencing November 1, 2019, and ending October 31, 2024.
2. SSP America will invest a minimum of \$495,050 to refurbish the existing facilities beginning as of November 1, 2013, and another \$495,050 to refurbish the facilities beginning as of November 1, 2019.
3. A midterm investment shall be considered timely if SSP America complies with the terms of its concession agreement and development plans. Such midterm investments are submitted to the County no later than September 30, 2014, for the first midterm investment and September 30, 2020, for the second midterm investment.
4. County may, at any time, develop other concessions at the Airport. Such new concessions may be developed in any location, may be of any kind, and shall not give rise to any claims, legal or otherwise, based on such new development by SSP America for damages or for any other kind of compensation or for any modification of its obligations under this agreement.
5. SSP America may only assign this agreement after receiving the written consent of the County. Milwaukee County may assign this agreement without SSP America's consent at any time after the effective date of this amendment.
6. SSP America agrees that its exercise of any right to termination contained in the agreement at any time from November 1, 2019, to October 31, 2024, shall relieve it of any claim for reimbursement or damages of any kind, or any other claim against the County, including any claim for any unamortized leasehold improvements.
7. SSP America and the County recognize that this amendment may be subject to the review and approval of the United States. In no event shall Milwaukee County be required to take any action under this amendment that is inconsistent with its legal obligations and federal, state, or local laws or regulations.

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