

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** June 18, 2025

Original Fiscal Note ☒

Substitute Fiscal Note ☐

**SUBJECT:** From the Director, Dept. of Transportation, and the Airport Director, Dept. of Transportation, Airport Division, requesting authorization to apply for the issuance of retail Intoxicating Liquor Permits for use at Milwaukee Mitchell International Airport (the "Airport") with all fees to be paid by SSP America Inc. and Paradies-Mark II, LLC ("Concessionaires").

### FISCAL EFFECT:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact                                     | <input type="checkbox"/> Increase Capital Expenditures |
| <input checked="" type="checkbox"/> Existing Staff Time Required                                       | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input type="checkbox"/> Absorbed Within Agency's Budget   | <input type="checkbox"/> Decrease Capital Revenues     |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget   |  |
| <input type="checkbox"/> Decrease Operating Expenditures   | <input type="checkbox"/> Use of contingent funds       |
| <input type="checkbox"/> Increase Operating Revenues   |  |
| <input type="checkbox"/> Decrease Operating Revenues   |  |

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0
Capital Improvement Budget	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0

## DESCRIPTION OF FISCAL EFFECT

**In the space below, you must provide the following information. Attach additional pages if necessary.**

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
  - B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. <sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
  - C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
  - D. Describe any assumptions or interpretations that were utilized to provide the information on this form.
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- A. SSP and Paradies operate multiple concessions at the Airport, and some of them sell alcoholic beverages to Airport customers. In 2009 and 2012, the County Board adopted resolutions (File Nos. 07-283(a)(e) and 12-346, respectively) authorizing the County Board Chairman and the County Clerk to apply to the State of Wisconsin, Secretary of Revenue, for Intoxicating Liquor Permits on behalf of SSP America. In 2025, SSP will open two new concession concepts including, the Central Standard Distillery Bar and Restaurant and Mitchell Market, at the Airport. Paradies will also open a new concept named Wisconsin Spirits. In order to permit the sale of alcoholic beverages at each concession location, SSP and Paradies request authorization for the application for Intoxicating Liquor Permits.
  - B. Both SSP and Paradies pay the greater of a percentage of total alcohol and food sales or a Minimum Annual Guarantee ("MAG") as rent to the Airport. Currently, SSP's MAG is just over \$700,000 while Paradies's MAG is approximately \$1,900,000. The new concession concepts are expected to generate additional revenue to the Airport, including approximately \$255,000 for SSP and approximately \$100,000 for Paradies. Increased sales by both SSP and Paradies will also increase their individual MAGs. Permit fees will be paid by SSP and Paradies.
  - C. There is no budgetary impact to the Airport associated with SSP and Paradies' request that the County Board adopt this resolution.
  - D. Milwaukee County Board File numbers 07-283(a)(e) and 12-346 each contain the prior adopted resolutions referenced in this fiscal note.

Department/Prepared By: Matthew Hoffman, Director of Business and Commercial Development, MCDOT Airport Division

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<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

<sup>2</sup> Office of Economic Inclusion review is required on all professional service and public work construction contracts.

Approved By:

Donna Brown-Martin, Director, Department of Transportation

Authorized Signature



Did SBP Fiscal Staff Review?

☐

Yes

☒

No

Did OEI Review?<sup>2</sup>

☐

Yes

☐

No

☒

Not Required