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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:

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