

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: August 18, 2011

TO: Lee Holloway, Chairperson, Milwaukee County Board of Supervisors
Michael Mayo, Sr., Chairperson, Transportation, Public Works & Transit Committee

FROM: Jack Takerian, Director of Transportation and Public Works

SUBJECT: **NEW AGREEMENT WITH HOST INTERNATIONAL, INC. FOR THE MONTH-TO –
MONTH RENTAL OF LOWER LEVEL CONCOURSE SPACE AT GENERAL
MITCHELL INTERNATIONAL AIRPORT**

POLICY

County Board approval is required to enter into certain agreements at General Mitchell International Airport (GMIA).

BACKGROUND

On November 19, 2008 Milwaukee County entered into Airport No. CN-1917 with Host International, Inc., for the operation of a food and beverage concession at GMIA. On August 24, 2009 Milwaukee County entered into Airport Agreement No. TB-1921 with Host International, Inc., for the rental of basement storage space for Host to use in conjunction with its food and beverage concession.

Host recently subleased the Chili's restaurant/bar on Concourse C to its disadvantaged business enterprise (DBE) partner. This resulted in a need for additional office space for the DBE partner as well as additional storage space. Host is now requesting to rent an additional approximately 149 square feet of office space and an additional approximately 783 square feet of storage space under Concourse C to support the Chili's facility on Concourse C. The requested space is airline operations space that would be rented on a month-to-month basis, since the airlines have first rights to the space if needed by an airline.

RECOMMENDATION

Airport staff recommends that Airport Director enter into a new month-to-month agreement with Host International, Inc., under the standard terms and conditions as other similar space that will include the following.

1. The agreement will be on a month-to-month basis, and will be coterminus with Airport Agreement No. CN-1917.
2. Rental for the approximately 783 square feet of storage space will be at the annual rent of \$12.00 per square foot. There will be no additional rental charge for the 149 square feet of additional office space, since office space rental is part of the concession fees.
3. The Airport Director has the authority to relocate, reduce, and add space to the agreement as may be deemed necessary.

(ITEM) From the Director of Transportation and Public Works, recommending that Airport Director enter into an agreement with Host International, Inc., for the month-to-month rental of lower level space on C Concourse at the General Mitchell International Airport (GMIA) by recommending adoption of the following:

A RESOLUTION

WHEREAS, on August 24, 2009 Milwaukee County entered into Airport Agreement No. TB-1921 with Host International, Inc., for the rental of basement storage space for Host to use in conjunction with its food and beverage concession; and

WHEREAS, Host recently subleased the Chili's restaurant/bar on Concourse C to its Disadvantaged Business Enterprise (DBE) partner that resulted in a need for additional office space and storage space for the DBE partner; and

WHEREAS, Host is now requesting to rent an additional approximately 149 square feet of office space and an additional approximately 783 square feet of storage space under Concourse C to support the Chili's facility on Concourse C; and

WHEREAS, the requested space is airline operations space that would be rented on a month-to-month basis, since the airlines have first rights to the space if needed by an airline.; and

WHEREAS, the Transportation, Public Works and Transit Committee, at its meeting on September 14, 2011, recommended approval (vote) for Milwaukee County to enter into an agreement with Host International, Inc., for the month-to-month rental of lower level space on C Concourse, now, therefore,

BE IT RESOLVED that the Airport Director is hereby authorized to enter into a new agreement with Host International, Inc., under the standard terms and conditions as other similar space that will include the following.

1. The agreement will be on a month-to-month basis, and will be coterminus with Airport Agreement No. CN-1917.
2. Rental for the approximately 783 square feet of storage space will be at the annual rent of \$12.00 per square foot. There will be no additional rental charge for the 149 square feet of additional office space, since office space rental is part of the concession fees.
3. The Airport Director has the authority to relocate, reduce, and add space to the agreement as may be deemed necessary.

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. ¹ 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.

Airport terminal building rental revenue would increase \$783.00 per month or \$9,396.00.

Department/Prepared by: Kathy Nelson

Authorized Signature



Did DAS-Fiscal Staff Review? Yes No
Reviewed by:

¹ 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.