



Milwaukee County

Legislation Details (With Text)

File #: 11-270 **Version:** 1 **Name:** New Agreement with the Kohl's Corporation for the Installation, Operation and Maintenance of Digital Retail Kiosks at GMIA

Type: Action Report **Status:** Placed on File, End of Term

File created: 5/24/2011 **In control:** County Clerk

On agenda: 6/28/2011 **Final action:** 4/16/2012

Title: From the Director, Department of Transportation and Public Works, and the Airport Director, requesting authorization to enter into a new agreement with the Kohl's Corporation for the right to install, operate, and maintain digital retail kiosks that offer for sale a mix of products in the General Mitchell International Airport (GMIA) terminal building.

Sponsors:

Indexes:

Code sections:

Attachments: 1. RESOLUTION, 2. FISCAL NOTE, 3. Audio TPWT 06/08/11

Date	Ver.	Action By	Action	Result
4/16/2012	1	Milwaukee County Board of Supervisors	PLACED ON FILE, END OF TERM	
4/16/2012	1	Milwaukee County Board of Supervisors	PLACED ON FILE	
6/8/2011	1	Transportation, Public Works and Transit Committee	REFER	Pass
5/25/2011	1	Board Chairman	ASSIGNED	

From the Director, Department of Transportation and Public Works, and the Airport Director, requesting authorization to enter into a new agreement with the Kohl's Corporation for the right to install, operate, and maintain digital retail kiosks that offer for sale a mix of products in the General Mitchell International Airport (GMIA) terminal building.

POLICY

County Board approval is required to enter into certain agreements in access of one year at General Mitchell International Airport (GMIA).

BACKGROUND

The Kohl's Corporation (Kohl's) is requesting to install, operate, and maintain digital retail kiosks in the GMIA terminal building through which airport patrons can purchase a mix of products from various merchandise categories and brands that are sold in Kohl's Department Stores or on the www.kohls.com website. The kiosks will be approximately 7 feet wide by 8 feet tall by 3 feet deep and will consist of the Kohl's sign and two computer terminals on which to make purchases using a credit card. Kohl's will ship the purchased merchandise to the designated address at no cost to the purchaser.

Kohl's and Airport staff have identified three locations in the airport consisting of one location in the concession mall, one on C Concourse, and one on D Concourse.

This business model is new to the airport environment, and differs from other retail offerings because there is no product available to the purchaser. Because of the uniqueness of the business model, Kohl's is requesting a one year term with 5 one year options. Kohl's is also requesting sixty days' termination provision if the model is not profitable.

RECOMMENDATIONS

Airport staff recommends that Milwaukee County enter into a new agreement with The Kohl's Corporation for the right to install, operate, and maintain digital retail kiosks that offer for sale a mix of products from various categories and brands sold in Kohl's Department Stores or on the www.kohls.com website in the GMIA terminal building under standard terms and conditions for similar operations, and inclusive of the following:

1. The agreement shall be for an initial term of one (1) year, effective August 1, 2011 with five (5) one-year options until terminated by either party upon sixty (60) days' advance written notice one to the other, prior to each option term.
2. The Kohl's Corporation will have the right to terminate the agreement at any time with sixty (60) days' advance written notice.
3. The Kohl's Corporation shall pay to the Airport monthly a sum of money equal to 11% of the gross revenues (not including taxes) received from the operation of the digital retail kiosks.
4. The agreement shall contain the current standard insurance language for similar space rentals.

FISCAL NOTE

Revenue to the Airport is indeterminate because this business model has no precedent in airport environments.

Prepared by: Kathy Nelson, Airport Properties Manager

Approved by:

Jack Takerian, Director
Transportation and Public Works

C. Barry Bateman
Airport Director

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