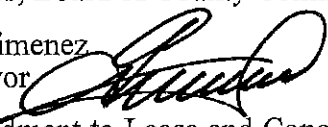


Memorandum



Date: April 5, 2016

To: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

From: Carlos A. Gimenez
County Mayor 

Subject: Third Amendment to Lease and Concession Agreement with Concessions Miami, LLC at Miami International Airport

Agenda Item No. 8(A)(2)

RECOMMENDATION

It is recommended that the Board of County Commissioners (Board) approve the Third Amendment to the Lease and Concession Agreement with Concessions Miami, LLC at Miami International Airport (MIA) extending the Agreement's expiration date and altering the recalculation of the Minimum Annual Guarantee (MAG).

SCOPE

MIA is located primarily within District 6, which is represented by Commissioner Rebeca Sosa; however, the impact of this item is countywide, as MIA is a regional asset.

FISCAL IMPACT/FUNDING SOURCE

There is no associated negative fiscal impact to Miami-Dade County with the approval of this amendment. Concessions Miami pays the Miami-Dade Aviation Department (MDAD) a MAG of \$1,351,920.00.

TRACK RECORD/MONITOR

Concessions Miami, LLC is current in all their contract obligations. Adrian Songer, MDAD Chief of Aviation Business and Revenue Development monitors the Agreement.

COMPLIANCE DATA

Inquiries through MDAD Minority Affairs and the Department of Small Business Development (SBD) reveal no violations for this firm.

BACKGROUND

Pursuant to Resolution No. R-195-06, the Board approved the award of the Foodservice Concessions RFP to Concessions Miami, LLC for food service concessions in the North and South Terminals. On January 21, 2010, the Board adopted Resolution No. R-13-10, which adjusted the MAG and rent to offset decreased passenger volume beyond the control of the concessionaire. The Second Amendment under Resolution No. R-96-14, on May 3, 2011, revised the term commencement dates for all impacted North Terminal concessionaires to September 14, 2014 to compensate for losses stemming from construction delays.

This Third Amendment extends the Agreement's expiration date to February 14, 2021 to synchronize the South Terminal food and beverage lease expiration dates. The amendment also changes the basis of the recalculation of the MAG from enplaned passengers to an annual Consumer Price Index (CPI) calculation, as used in other concession agreements, to provide parity among all parties.

PROJECT: Foodservice Concessions - RFP 01-05 Package One

PROJECT NO.: RFP No. MDAD-01-05

PROJECT LOCATION: Miami International Airport

COMPANY NAME: Concessions Miami, LLC

TERM OF AGREEMENT: Eight (8) years

OPTIONS TO RENEW: At the sole discretion of MDAD, the eight - year term may be extended for two (2) separate one-year terms.

RECOMMENDED MODIFICATION: To establish congruency of expiration dates for the South terminal food and beverage concessions by extending Concessions Miami's South Terminal locations Agreement expirations to February 14, 2021, and change the annual MAG recalculation to CPI methodology.

CONTRACT MEASURE: 32 percent Airport Concession Disadvantaged Business Enterprise goal

CONTRACT MEASURES ACHIEVED AT AWARD: 60.4 percent

CONTRACT MEASURE ACHIEVED TO DATE: 45.7 percent of gross revenues \$79,921,357.00

Phillips Concessions	7.9%	\$ 6.3M
Arriaza Bakery	5.3%	\$ 4.2M
Las Vegas Restaurant II	1.4%	\$ 1.1M
<u>Atlanta Restaurant</u>	<u>31.1%</u>	<u>\$24.8M</u>
Total ACDBE sales to date	45.7%	\$36.5M*

*Rounded

COMPANY PRINCIPALS: Donata Russell Major, CEO, Michael B. Russell, Vice Chair, Anthony Joseph, President

OWNERSHIP BREAKDOWN: Limited Liability Company

COMPANY LOCATION: 566 Wells Street
Atlanta, Georgia 30312

YEARS IN BUSINESS: Ten (10)

Honorable Chairman Jean Monestime
and Members, Board of County Commissioners
Page 3

**PREVIOUS AGREEMENTS
WITH THE COUNTY IN LAST
FIVE (5) YEARS:**

Current

LIVING WAGE:

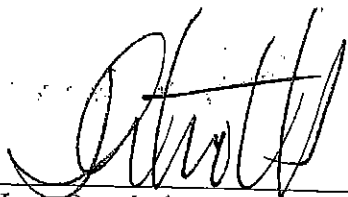
No

INSPECTOR GENERAL:

Provisions included in the agreement

USER AGENCY:

Miami-Dade Aviation Department



Jack Osterholt, Deputy Mayor



MEMORANDUM

(Revised)

TO: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

DATE: April 5, 2016

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Agenda Item No. 8(A)(2)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Statement of social equity required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(A)(2)
4-5-16

RESOLUTION NO. _____

RESOLUTION APPROVING THE THIRD AMENDMENT TO THE NON-EXCLUSIVE FOOD AND BEVERAGE LEASE AGREEMENT WITH CONCESSIONS MIAMI LLC, FOR PREMISES AT MIAMI INTERNATIONAL AIRPORT, STANDARDIZING THE CONTRACT METHODOLOGY FOR RECALCULATION OF THE MINIMUM ANNUAL GUARANTEE TO THAT UTILIZED IN SIMILAR LEASE AGREEMENTS; ALTERING THE LEASE EXPIRATION DATE TO PROVIDE SIMILAR EXPIRATION DATES FOR ALL SOUTH TERMINAL FOOD AND BEVERAGE CONCESSION CONTRACTS; AND AUTHORIZING THE MAYOR OR MAYOR'S DESIGNEE TO EXERCISE ALL PROVISIONS THEREIN

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum and document, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board approves the Third Amendment to the Food and Beverage Lease Agreement with Concessions Miami LLC extending Concessions Miami LLC's South Terminal locations Agreement expirations to February 14, 2021; the amendment also changes the contract methodology for recalculation of the Minimum Annual Guarantee to an annual Consumer Price Index (CPI) calculation as used in other standard concession agreements, and authorizes the Mayor or Mayor's designee to exercise all provisions therein.

The foregoing resolution was offered by Commissioner
who moved its adoption. The motion was seconded by Commissioner
and upon being put to a vote, the vote was as follows:

Jean Monestime, Chairman	
Esteban L. Bovo, Jr., Vice Chairman	
Bruno A. Barreiro	Daniella Levine Cava
Jose "Pepe" Diaz	Audrey M. Edmonson
Sally A. Heyman	Barbara J. Jordan
Dennis C. Moss	Rebeca Sosa
Sen. Javier D. Souto	Xavier L. Suarez
Juan C. Zapata	

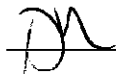
The Chairman thereupon declared the resolution duly passed and adopted this 5th day of April, 2016. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



David Murray

**THIRD AMENDMENT TO
NORTH/SOUTH FOODSERVICE CONCESSIONS AT MIA, BETWEEN MIAMI-DADE
COUNTY, FLORIDA AND CONCESSIONS MIAMI, LLC.**

THIS THIRD AMENDMENT to the Lease and Concession Agreement (the "Third Amendment") is made and entered into this _____ day of _____, 2015, by and between Miami-Dade County acting by and through its Aviation Department ("County" or "MDAD") and Concessions Miami, LLC ("Concessionaire").

WHEREAS, by Resolution No. R-195-06 passed and adopted February 9, 2006, the Board of County Commissioners of Miami-Dade County, Florida authorized a Non-Exclusive North/South Foodservice Concessions at Miami International Airport, and

WHEREAS, the Aviation Department desires to standardize the contract term methodology for Recalculation of the Minimum Annual Guarantee in other similar lease agreements, and

WHEREAS, the Aviation Department desires to make certain accommodations relative to the contract term to offset the Location availability issues encountered by the Concessionaire in order to enable the recapture of the capital investment of the Concessionaire, and

NOW THEREFORE, in consideration of the premises, and terms and conditions of the North/South Foodservice Concessions, the parties to this Third Amendment agree as follows:

1. **Sub-Article 1.01 "Term"** is replaced in its entirety as follows:

1.01 TERM:

The Concessionaire shall have the right to occupy and use the following locations for the specified terms:

a) North Terminal Location: The County hereby leases to the Concessionaire the following North Terminal Concession Locations, for a eight (8) years Term commencing on September 14, 2014 or unless sooner terminated pursuant to Article 12 "Termination by County". Locations: DA2251, DB2990, DB2781, DD21203.

b) South Terminal Location: The County has leased to the Concessionaire the following South Terminal Locations, with an initial Term termination date of February 14, 2021. Locations: H2780, J1058, J2406, J2404.

In no event shall this Agreement afford the Concessionaires or any other party any right to use or occupy the Locations (or any part thereof) after the expiration, termination of this Agreement. The provisions of this Agreement shall remain in full force and effect until the expiration of obligations by the Concessionaire hereunder; notwithstanding, the Concessionaire shall not be entitled to make use of or occupy Locations hereunder after the expiration of the term applicable to such Location.

✕

2. **Sub-Article 3.03 "Recalculation of the Minimum Guarantee"** is replaced in its entirety as follows:

3.03 RECALCULATION OF THE MINIMUM ANNUAL GUARANTEE: The Minimum Annual Guarantee shall be recalculated annually effective November 1st of each year. An appropriate adjustment will be made to reflect the change in the Consumer Price Index for all urban consumers (CPI-U) in the U.S. City Average: All items, for the published, preceding twelve-month period. The Minimum Annual Guarantee amount is established at \$1,073,781 effective November 1, 2014 based on applying the CPI-U retroactively to contract inception.

3. Concessionaire shall not be entitled to any credit for MAG payments made by Concessionaire prior to November 1, 2014.

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IN WITNESS WHEREOF, the parties have executed this Third Amendment to the Agreement the date and year first above written.

CONCESSIONS MIAMI, LLC

(Legal Name of Corporation)

ATTEST:

Secretary _____
(Signature and Seal)

By: [Signature]
Authorized Officer - Signature

(Type Name & Title)

Name: Anthony Joseph
President

(Type Name & Title)

BOARD OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

Approved for Form
and Legal Sufficiency

By: _____
Mayor or his Designee

Attest: Harvey Ruvin, Clerk

Assistant County Attorney

By: _____
Deputy Clerk

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