

## Legislation Text

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**File #:** 190130, **Version:** 0

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Authorizing the Parks and Recreation Commissioner and the Procurement Commissioner to enter into a Concession Agreement with Loveluck LLC, for the design, construction, management and operation of a food and beverage concession in the Fairmount Park Welcome Center in John F. Kennedy Plaza, a/k/a Love Park, all under certain terms and conditions.

*THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:*

SECTION 1. The Parks and Recreation Commissioner and the Procurement Commissioner are hereby authorized to enter into a Concession Agreement for the design, construction, management and operation of a food and beverage concession in the Fairmount Park Welcome Center in John F. Kennedy Plaza, a/k/a Love Park, with Loveluck LLC. The terms of the Concession Agreement must be substantially consistent with those set forth in the term sheet attached to this Ordinance as Exhibit "A", the Concession Fee Schedule attached as Exhibit "B" and the Economic Opportunity Plan attached as Exhibit "C."

SECTION 2. The City Solicitor is hereby authorized to review and approve the Concession Agreement authorized by this Ordinance, which Agreement shall contain such terms and conditions as the City Solicitor shall deem necessary and proper to protect the interests of the City of Philadelphia and to carry out the purpose of this Ordinance.

### EXHIBIT A

#### TERM SHEET

For the Design, Construction, Management and Operation of a Food and Beverage Concession in the Fairmount Park Welcome Center in John F. Kennedy Plaza/Love Park:

1. Parties. The City of Philadelphia acting through its Parks and Recreation Commissioner and Procurement Commissioner (the "City") and Loveluck LLC ("Concessionaire").
2. Term. The Initial Term of the Agreement is for 10 years, plus the time between the date of the Concession Agreement and delivery of possession of the Welcome Center to Concessionaire (the

Possession Date) with two 5-year Renewal Terms at the City's sole discretion.

3. License. The City gives the Concessionaire an exclusive license to design, construct, manage and operate a food and beverage concession in the Fairmount Park Welcome Center in John F. Kennedy Plaza/Love Park (the Concession).
4. Other Locations Inside Love Park. In addition, Concessionaire shall have a limited, non-exclusive license to conduct events in other locations inside Love Park subject to the City's permitting and licensing requirements, and subject to such rent as the City shall determine. Gross Revenues earned at such events outside the Welcome Center shall be included in the Concession Fee owed to the City.
5. Concession Fee. The Concession Agreement provides for the Concessionaire to pay the City a Concession Fee, consisting of Minimum Annual Guarantee (MAG) payments and 1% of Concessionaire's Gross Revenues for each year of the Term, except the first year, following the City's delivery of possession of the Welcome Center to Concessionaire, all as shown in **Exhibit "B"**, the Concession Fee Schedule.
6. Hours of Operation. The Concession Agreement provides that the Concession will be open seven (7) days/week with the following hours: Monday-Thursday, 11 AM-10 PM; Friday-Saturday, 10 AM -11 PM (until midnight in the warm months); and Sunday, 10 AM-9 PM. The Concession will be closed on Thanksgiving Day, Christmas Eve and Christmas Day.
7. Economic Opportunity Plan. Concessionaire has executed the Economic Opportunity Plan attached as **Exhibit "C,"** which shall be part of the agreement.
8. Utilities. Concessionaire shall pay its share of utility consumption within the Licensed Space.
9. Maintenance and Repairs. The Concessionaire shall be responsible for all maintenance, repairs, trash and snow removal within the Licensed Space.

10. No City Financial Obligations. Nothing in the Concession Agreement obligates the City to maintain the facility or to appropriate or spend money at any time or for any reason.

EXHIBIT B

CONCESSION FEE SCHEDULE

Concession Fee (Minimum Annual Guarantee (MAG) and Gross Revenues Percentage Fee) for the Design, Construction, Management and Operation of a Food and Beverage Concession in the Fairmount Park Welcome Center

Year 1 (2019)*	\$0.00	plus Gross Revenue Percentage Fee of 1%
Year 2 (2020)	\$60,000.00	plus Gross Revenue Percentage Fee of 1%
Year 3 (2021)	\$61,800.00	plus Gross Revenue Percentage Fee of 1%
Year 4 (2022)	\$63,648.00	plus Gross Revenue Percentage Fee of 1%
Year 5 (2023)	\$65,556.00	plus Gross Revenue Percentage Fee of 1%
Year 6 (2024)	\$67,512.00	plus Gross Revenue Percentage Fee of 1%
Year 7 (2025)	\$69,528.00	plus Gross Revenue Percentage Fee of 1%
Year 8 (2026)	\$71,616.00	plus Gross Revenue Percentage Fee of 1%
Year 9 (2027)	\$73,764.00	plus Gross Revenue Percentage Fee of 1%
Year 10 (2028)	\$75,972.00	plus Gross Revenue Percentage Fee of 1%

**FIRST RENEWAL TERM, IF EXERCISED**

Year 11 (2029)	\$78,240.00	plus Gross Revenue Percentage Fee of 1%
Year 12 (2030)	\$80,580.00	plus Gross Revenue Percentage Fee of 1%
Year 13 (2031)	\$82,992.00	plus Gross Revenue Percentage Fee of 1%
Year 14 (2032)	\$85,476.00	plus Gross Revenue Percentage Fee of 1%
Year 15 (2033)	\$88,044.00	plus Gross Revenue Percentage Fee of 1%

**SECOND RENEWAL TERM, IF EXERCISED**

Year 16 (2034)	\$90,684.00	plus Gross Revenue Percentage Fee of 1%
Year 17 (2035)	\$93,408.00	plus Gross Revenue Percentage Fee of 1%
Year 18 (2036)	\$96,204.00	plus Gross Revenue Percentage Fee of 1%
Year 19 (2037)	\$99,084.00	plus Gross Revenue Percentage Fee of 1%
Year 20 (2038)	\$102,048.00	plus Gross Revenue Percentage Fee of 1%

\*The first year of the Concession shall be a full 12-month period following the Possession Date (the date City Work is completed and the City delivers possession of the Welcome Center to Concessionaire). Each

successive year thereafter shall be a full 12-month period following the applicable anniversary date of the Possession Date.

## EXHIBIT C

### ECONOMIC OPPORTUNITY PLAN