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CITY COUNCIL APPROVES CONCESSION REDEVELOPMENT AND MANAGEMENT LEASE AGREEMENT FOR INTERNATIONAL TERMINAL 5 AT O'HARE INTERNATIONAL AIRPORT

Today, the Chicago City Council approved an ordinance that will allow the City to enter into a Concession Redevelopment and Management Lease Agreement with Westfield Concessions Management, LLC. The agreement provides for a complete redevelopment of the concessions program in International Terminal 5 at O'Hare International Airport to add new food and beverage, news and gifts, specialty retail, and duty-free locations.

"This agreement will bring 280 new jobs to Chicago and improve the travel experience of Chicagoans and visitors from around the world who fly through O'Hare International Airport," said Mayor Rahm Emanuel. "The new concessions program in Terminal 5 will reflect our City's world-class shopping and dining experiences, featuring local, national and international brands."

Westfield was the successful respondent, unanimously selected by a 20-member evaluation committee, after a thorough and transparent 16-month request for proposal process. The agreement provides for Westfield to redevelop and manage concessions in International Terminal 5. It does not privatize the terminal itself. Rather, the City retains ownership of the asset and has the opportunity, at the 10year anniversary of the agreement, to terminate the agreement without cause.

Westfield and its operators will invest approximately \$26 million to redevelop the terminal's concession program. This will include the creation of 280 new jobs.

The redevelopment of Terminal 5 also provides for the relocation of the security checkpoints to open up prime concession space and the build out of several new concession spaces within the airside location (post security) of the terminal. In total there will be over 25 concession spaces.



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In addition, Westfield will pay the City annual rent commensurate with revenue generated at Terminal 5 each year. The annual rent to be paid by Westfield will be either \$3.00 per actual international enplanement from Terminal 5 in the prior calendar year or a percentage rent of 16 percent of gross sales, whichever is greater. The \$3.00 per enplanement will be tied to the Consumer Price Index to account for inflation.

Westfield Concessions Management LLC is owned by the Westfield Group. The Westfield Group is one of the largest retail property groups in the world. Westfield is known for its portfolio of shopping centers including: Chicago Ridge, Old Orchard, Skokie, Fox Valley, Aurora, Hawthorn, Vernon Hills and Louis, Joliet.

Additionally, Westfield Concessions Management holds leases or management contracts at the following airports: Boston – Logan, Orlando, Houston (George Bush), JFK, Miami, Newark Liberty, Ronald Regan National and Washington Dulles International Airports.

Based on the capital investment, the rent to be paid to the airport and Westfield's experience and qualifications, the selection of Westfield represents the best deal for the City of Chicago.

O'Hare's International Terminal 5 was built in 1993. Currently, 24 air carriers operate from the terminal's 21 common-use gate. There were approximately 1.7 million enplanements at Terminal 5 in 2010. Enplanements are defined as revenue passengers boarding an aircraft.

O'Hare International Airport consistently ranks as one of the world's busiest airports offering nonstop and direct service to nearly 200 cities worldwide. Fifty-five commercial carriers operate out of 189 gates at O'Hare, carrying more than 67 million passengers annually.

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