



# News Release

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## **AVIATION COMMITTEE APPROVES REDEVELOPMENT DEAL FOR CONCESSIONS PROGRAM AT O'HARE AIRPORT'S TERMINAL 5**

The Chicago City Council Committee on Aviation Thursday approved an ordinance that will allow the City to enter into a Concession Redevelopment and Management Lease Agreement with Westfield Concessions Management, LLC. Having gained the Committee's approval, the ordinance will now be brought up for vote by the full City Council at the next meeting on July 28.

The agreement provides for a complete redevelopment of the concessions program in International Terminal 5 at O'Hare International Airport. The redevelopment will include new food and beverage, news and gifts, specialty retail and duty-free locations.

"Westfield's proposal for the redevelopment of the Terminal 5 Concessions Program is the best deal for the city's taxpayers," said Mayor Emanuel. "Their proposal to invest more than \$26 million in capital improvements for the redevelopment of the Terminal 5 Concessions Program while creating 280 new jobs to Chicago will benefit International travelers and residents alike."

Westfield, the successful respondent, was unanimously selected by a 20-member evaluation committee, after a thorough 16-month request-for-proposal process. The 20-year agreement calls for Westfield to redevelop and manage concessions in International Terminal 5. It does not privatize the terminal itself. The City retains full ownership of the terminal and has the opportunity to terminate the agreement at the 10-year mark, for any reason.

"The agreement provides an excellent opportunity for the CDA to redevelop Terminal 5 and contract with a recognized, proven industry leader to accomplish the necessary goals in making Terminal 5 a crown jewel for O'Hare International Airport and the city," said Commissioner Rosemarie S. Andolino. "We have come to this recommendation as a result of an incredibly competitive, thorough and transparent process."

Westfield and its operators will invest \$26.2 million to redevelop the terminal's concession program. This will include the relocation of the security checkpoints and the build-out of several new concession spaces within the airside location (post-security) of the terminal.

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In addition, Westfield will pay the City annual rent relative to 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 100 percent owned by Westfield Concession Management LLC (WLLC). Westfield LLC is wholly-owned by Westfield America Limited Partnership (WALP). WALP is 100 percent 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. 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.

O'Hare's International Terminal 5 was built in 1993. Currently, 23 air carriers operate from the terminal's 21 common-use gate. O'Hare 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.

**Here's what the business community is saying about the Agreement with Westfield Concessions Management, LLC...**

"O'Hare is a strong economic engine, and being able to make these capital improvements at Terminal 5 with Westfield Management will promote continued growth for our region" – Kathleen Nelson, Managing Director, General Counsel, Ziegler Lotsoff Capital Management, LLC

"Westfield is a solid group that handles its services in most professional way, and that's what the City is looking for and should have at O'Hare's International Terminal" – Dean Fatikas, former Chief Engineer (Local 399), City of Chicago Fire Department (retired)

"Infrastructure improvements at and around O'Hare are valuable as they help Chicago compete in the global market place for jobs and corporate growth" – Tanya Triche, Senior Counsel, Illinois Retail Merchants Association (IRMA)

"As the largest retail property group in the world, Westfield Management offered the best overall proposal for the redevelopment and management of International Terminal 5 at O'Hare International Airport" – Jorge Perez, Executive Director, Hispanic American Construction Industry Association (HACIA)

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The Chicago Department of Aviation (CDA) is self-supporting, using no local or state tax dollars for operations or capital improvements at O'Hare and Midway International airports. Together, Chicago's airports generate more than \$45 billion in annual economic activity and create 540,000 jobs for the region. Please visit [www.flychicago.com](http://www.flychicago.com) to learn more about the Chicago Department of Aviation.

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The CDA continues to incorporate and expand sustainable initiatives for airport planning, operations and maintenance, and concessions and tenants in accordance with the CDA Sustainable Airport Manual (SAM) Version 2.0, released in November 2010. To view case studies, lessons learned and new technologies, and for more information on the SAM, please visit [www.airportsgoinggreen.org](http://www.airportsgoinggreen.org).

The O'Hare Modernization Program (OMP) transforms O'Hare's airfield from an outdated system of intersecting runways into a modern parallel runway configuration. The program will reduce overall delays at the Airport by 79 percent, and bad weather delays by 95 percent. It will create 195,000 new jobs and \$18 billion in additional economic activity each year. Please visit [www.oharemodernization.org](http://www.oharemodernization.org) to learn more about the OMP.

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