



Department of City Development
City Plan Commission
Redevelopment Authority of the City of Milwaukee
Neighborhood Improvement Development Corporation

Rocky Marcoux
Commissioner
rmarco@milwaukee.gov

Martha L. Brown
Deputy Commissioner
mbrown@milwaukee.gov

April 21, 2016

Mr. James R. Owczarski
City Clerk
City Hall, Room 205
Milwaukee, WI 53202

Dear Mr. Owczarski:

Enclosed is a fully executed copy of the Consignment Agreement between the City of Milwaukee and Sharehouse Goods, LLC, Contract No. 16-011 (CM).

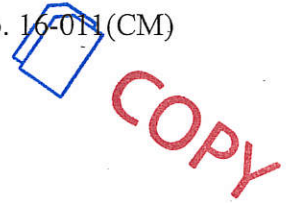
This agreement was executed pursuant to the authority of Common Council Resolution File No. 120871

Sincerely,

Scott A. Stange
Procurement and Compliance Manager
Department of city Development

Enclosure



 COPY

SHAREHOUSE GOODS L.L.C. & CITY OF MILWAUKEE
CONSIGNMENT SALES AGREEMENT

GH, CAO 226858, 3/21/2016 Draft

THIS CONSIGNMENT SALES AGREEMENT ("CSA") is dated as of March 31st, 2016 (the "Effective Date"), and is made and entered into by and between **SHAREHOUSE GOODS LLC** ("Sharehouse") and the **CITY OF MILWAUKEE** ("City"), for the covenants contained herein, and good and valuable consideration, receipt and sufficiency of which are acknowledged.

RECITALS

- A. City, from time to time, acquires by Wis. Stat. 75.521 *in rem* property-tax foreclosure real property in Milwaukee (including land, buildings, improvements, fixtures, and rights and privileges appertaining thereto) (Wis. Stat. 70.03) (the "Parcels").
- B. City, from time to time, also acquires by abandonment, and by Wis. Stat. 66.0139 and Milw. Code of Ordinances ("MCO") 308-5 rights to *personal* property at the Parcels (the "Moveables"). The Moveables are not fixtures affixed to the real property, and they have been abandoned and unclaimed for more than 30 days after possession of same by City.
- C. Sharehouse wishes to act as consignment agent ("Agent") for items of Moveables and/or fixtures identified herein (the "Items") so the Items may be sold, per the terms hereof. City is willing to allow Sharehouse to act as consignment agent for the Items.
- D. City enters this CSA per MCO 308-5-1 and Common Council Resolution File No. 120871.

AGREEMENT

1. Recitals Agreed To. The recitals above are hereby agreed to.
2. City "Notice of Items" to Sharehouse & Sharehouse Acceptance. City shall periodically provide written "Notice of Items" to Sharehouse of Items that City wants Sharehouse to sell as Agent, which notice shall contain a general description of Items, the Parcel(s) where the Items are located, and whether Sharehouse will pick up the Items ("S") or City will deliver them to Sharehouse ("C"). The "Notice of Items" form will be in the general form of **EXHIBIT A**. Sharehouse shall have the option to visit the Parcels to view the Items.

If Sharehouse wishes to act as Agent to sell the Items, Sharehouse shall, on the "Notice of Items" form, indicate to City its willingness to sell specified Items for City as City's Agent hereunder by marking "Y." Sharehouse shall email the form to City, and Sharehouse will act, in good faith, and per the terms hereof, as Agent for City to find buyers for the Items.

3. Term & Donation of Unsold Items. The term of this CSA ("Term") shall be from the Effective Date until midnight on the **11-month anniversary** of this CSA (the "End Date"). Any Items not sold or committed to be sold by the End Date shall not be subject to this CSA in any respect, and Sharehouse shall return any such unsold Item to City. Alternatively, City may direct Sharehouse to donate the unsold Items to a nonprofit organization. City may specify the nonprofit recipient or in

City's discretion allow Sharehouse to specify the recipient. If Sharehouse specifies the recipient, Sharehouse shall provide City with notice of the nonprofit recipient.

4. **Compensation for Sharehouse and for City.** Sharehouse shall, on a monthly basis, report to City status of sales efforts and Items sold – including Item, saleprice, intermediary through which sale made and intermediary fee (if applicable), and calculation of amount due City.

A. **Amazon.** For any Item sold by Sharehouse through Amazon, Sharehouse shall pay City as follows: sale price – 15% Amazon intermediary fee - \$2 sharehouse processing fee = Net Amount. City gets 65% of Net Amount. Sharehouse keeps the rest.

Amazon Example:

\$100 Item sold by Sharehouse using Amazon as intermediary.
\$100 – 15 % intermediary/Amazon fee (\$15) = \$85.
\$85 - \$2 Sharehouse processing fee = \$83 Net Amount.

Sharehouse pays City 65% of \$83 Net Amount = \$53.95.
Sharehouse gets \$2 processing fee and remainder.

City will not pay more than the 15% Amazon intermediary fee.

B. **Intermediary Other than Amazon.** For any Item sold by Sharehouse through an intermediary other than Amazon, Sharehouse shall pay City as follows: sale price – applicable intermediary fee charged but no more than 15% - \$2 sharehouse processing fee = Net Amount. City gets 65% of Net Amount. Sharehouse keeps the rest.

C. **No Intermediary or No Intermediary Fee.** For any Item sold by Sharehouse not through an intermediary or through an intermediary that waives the intermediary fee, City shall not pay any intermediary fee, and Sharehouse shall pay City as follows: sale price – \$2 sharehouse processing fee = Net Amount. City gets 65% of Net Amount. Sharehouse keeps the rest.

Sharehouse's sole fee and compensation for acting hereunder shall be the amounts due Shareholder as per the above formulas.

Sharehouse is responsible for any other cost or expense not accounted for in the above formulas (including marketing, photography of Items, storage, shipping, handling, delivering, etc.).

In any event where the Net Amount equals zero or a negative number, City will not have to pay Sharehouse anything.

Remittances to the City must be monthly and shall be sent by the 10th day of the month following the month for which the sale was made. Checks should be made payable to "THE CITY OF MILWAUKEE" and should be sent to the City's contact person listed in the "Notice" section below.

Sharehouse shall take sole risk of any insufficient fund or bounced or other defective check or payment, and of any buyer transaction problem, or sale that does not materialize.

5. **Sales, Marketing and Other Costs.** City is not responsible for any sales, advertising, marketing, shipping, holding or other costs associated directly or indirectly with the marketing, sale, removal or delivery of any Item.

6. **Entry; Removal and Delivery of Items must be performed by Sharehouse.** City shall allow Sharehouse access to the Parcels for Sharehouse to retrieve Items marked with an "S" on the "Notice of Items" form. Sharehouse is responsible for removal and storage at Sharehouse's facilities at Sharehouse expense. Entry by Sharehouse, or those claiming by, through or under Sharehouse is at Sharehouse's sole risk. All removals must be done in a manner to not cause damage to the Parcel or building. Entry into the Parcel by Sharehouse, must be coordinated with Deborah McCollum-Gathing, Property Manager or with Matt Haessly, Real Estate Specialist, Department of City Development.

City is not responsible for any injury to persons or property regarding any such entry. Sharehouse shall maintain in place during the term of this CSA, at Sharehouse's expense, insurance, meeting the minimum requirements in EXHIBIT B, naming City as an additional insured, and meeting City's prior approval. Sharehouse shall provide a certificate of insurance to City evidencing insurance in place prior to entry.

Sharehouse shall indemnify and hold harmless City against loss, claim, damage, and liability related to entry and/or removal hereunder, to injury to persons or property regarding any such entry and/or removal hereunder, and/or to negligent or willful acts or omissions by Sharehouse or its agents or contractors.

7. **Terms and Conditions of Individual Sales.** City is relying upon Sharehouse's experience and knowledge to set and negotiate reasonable sale prices for individual sales of Items. Sale prices shall be reasonably consistent with market prices of other like Items sold on the secondary market.

8. **Successors and Assigns.** This CSA binds and inures to the benefit of the parties hereto and their successors and assigns. Notwithstanding the foregoing, Sharehouse may not assign or transfer its rights or duties hereunder to another without City's prior written consent.

9. **Facsimile and Counterparts.** This CSA may be executed in one or more counterparts which, when taken together, shall constitute one and the same document. Email/ PDF signatures shall be accepted as originals.

10. **Amendment.** This CSA may only be amended by written instrument signed by the parties hereto.

11. **Contact Persons.** The parties' respective contact persons for purposes of this CSA are as follows.

CITY	SHAREHOUSE
Matt Haessly City of Milwaukee, DCD 809 N. Broadway, 2 nd Floor Milwaukee, WI 53202 Ph 414-286-5736 E-mail: mhaess@milwaukee.gov	Jarod Edward Cronk Sharehouse Goods, LLC 2471 North Grant Blvd. Milwaukee, WI 53210 Ph 414-517-7875 E-mail: sharehousegoods@gmail.com
Deborah McCollum-Gathing City of Milwaukee, DCD 809 N. Broadway, 2 nd Floor Milwaukee, WI 53202 Ph 414-286-5759 E-mail: dmccol@milwaukee.gov	

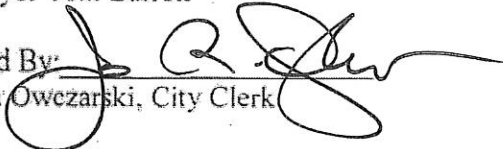
12. **Remedies; Termination.** In the event of breach, the nonbreaching party has all rights and remedies against the breaching party. City reserves all rights under Wis. Stat. 893.80. Notwithstanding the Term above, City may terminate this CSA at any time, for any reason, on 15 days advance notice to Sharehouse (provided any such early termination shall not interfere with any then current sale transaction actively in progress between Sharehouse and a buyer) whereupon Sharehouse shall promptly return to City any unsold Item or donate them as City may request.

13. **City Rights Regarding Other Personalty.** Sharehouse only has exclusive consignment sale rights for Items marked Y per this CSA. For any other City-owned personalty, City is free to keep or sell same on its own or through other agents.

IN WITNESS WHEREOF, the parties caused this CSA to be entered into and executed as of the Effective Date first written above.

CITY: THE CITY OF MILWAUKEE

By: 
Mayor Tom Barrett

And By: 
Jim Owezarski, City Clerk

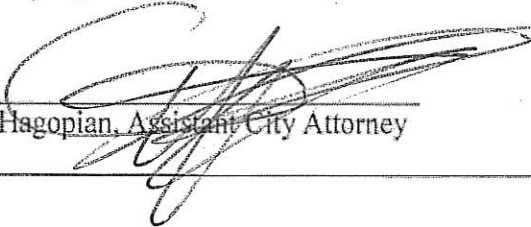
COMPTROLLER


Martin Matson, City Comptroller PD

Council Resolution File 120871

CITY ATTORNEY APPROVAL

The undersigned hereby approves the signatures of the above City signatories per M.C.O. § 304-21.


Gregg Hagopian, Assistant City Attorney

SHAREHOUSE: SHAREHOUSE
GOODS, LLC

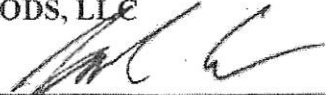
By: 
Jarod Edward Cronk, managing
member

EXHIBIT B
CITY OF MILWAUKEE - Insurance Requirements

Insurance certificates must be sent for inspection and approval prior to entry onto the Parcel to: Matt Haessly, Real Estate, Department of City Development, 809 North Broadway, 2nd Floor, Milwaukee, WI 53202-3617 or by facsimile to (414) 286-0395 or e-mail to mhaess@milwaukee.gov.

Workers Compensation	Statutory limits
<u>Employers liability</u> Bodily Injury by Accident Bodily Injury by Disease	Each accident \$100,000 Each employee \$100,000 Policy limit \$500,000
General liability, bodily injury and property damage	Each occurrence \$1,000,000 General occurrence \$1,000,000
Umbrella	\$1,000,000
<u>Automobile</u> : business auto policy providing liability coverage for owned, nonowned, and hired vehicles	Bodily injury/property damage \$1,000,000

CITY OF MILWAUKEE MUST BE NAMED ADDITIONAL INSURED ON THE POLICY, and be given 30-days notice before cancellation, non-renewal, or material change. Sharehouse shall provide DCD with a Certificate of Insurance evidencing the above coverage. The insurance carrier must be licensed to do business in Wisconsin. Failure to provide the insurance & certificate required allows City to terminate Sharehouse's Contract. Sharehouse shall not permit the coverage to lapse and shall furnish evidence of coverage to DCD.

The certificate holder shall be noted as:
City of Milwaukee c/o Department of City Development
809 N. Broadway, Attn: Purchasing/Contract Services
Milwaukee, WI 53202