



**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

98-495

SYNOPSIS —

AGENDA:

Two current Airport terminal tenants, Travel and Transport, Inc. (T&T) and International Travel Associates Corp. (ITA) will be affected by the Skywalk Lobby Project which is scheduled to start this winter.

OCTOBER 26, 1998

SUBJECT:

**EXTENSION OF LEASE
AGREEMENT WITH
TRAVEL AND
TRANSPORT, INC. AT
AIRPORT**

Because the present agreement with T&T is scheduled to terminate on October 31, 1998, and the new facilities will not be completed until late spring 1999, staff is recommending that a month-to-month extension of the existing agreement be approved to allow for coverage of those services provided by the tenant. In order to provide for the month-to-month extension, special action must be taken by City Council to declare the extension a public and operating emergency as allowed for under chapter 2-88 of the City Code.

TYPE

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

The reconstruction of the area utilized by this operation makes it imprudent to re-bid the agreements at this time and therefore provides the justification for recommending the month-to-month extensions under chapter 2-88. With the proposed completion of the renovation anticipated for late spring 1999, the month-to-month extension would not extend beyond May 31, 1999, and the department would advertise for competitive Request for Proposals for two travel agency positions in January 1999. One position will be further defined as the manager for the business center, and the other as a passenger information service agency. During the extension of the existing contract and construction, the two current travel agent positions will be relocated to another area of the Airport Terminal.

SUBMITTED BY:

**WILLIAM FLANNERY
AVIATION DIRECTOR**

Due to the fact the current agreements are scheduled to terminate on October 31, 1998, it is requested that this item be included on the October 26, 1998, Council Agenda for approval by operating emergency.

FISCAL IMPACT -

During the extension, T&T will continue to pay the monthly rental of \$1,527.07.

RECOMMENDATION -

Approval of month-to-month extension of lease agreement with T&T for Traveler Information and Convenience Center at Airport.

BACKGROUND -

On September 20, 1993, by Roll Call 93-3490, the Des Moines City Council approved Ordinance 12,040 assigning certain rights and responsibilities pertaining to the Airport to the Des Moines International Airport Board, including the right to enter into leases up to three years in duration.

As this Fourth Amendment is an extension to a concession agreement without rebidding, it will require approval through City Council. On October 13, 1998, by Resolution A98-371, the Airport Board requested and recommended to City Council to authorize and direct the City Manager to extend said agreement pursuant to Section 2-88(d) of the Municipal Code.

Section 2-88(d) of the City Code regarding "Public and Operating Emergencies" provides that

"The City Manager may extend any agreement for the provision of services to the city upon receiving prior authorization for such an extension from the city council by resolution, provided that the city manager shall determine and report to the city council, and the city council by resolution shall concur and find in said resolution, that the continued provision of such services to the city by the current provider is vital to the city's interest and that the procurement of a new agreement for the provision of said services by competitive bid pursuant to section 2-85 is impractical within the time

remaining under the current agreement."

On September 1, 1998, by Resolution No. A98-345, the Airport Board approved ordering construction of the Skywalk Lobby Project which includes the reconstruction of the central lobby and travel agent area and the addition of a business center in the Main Terminal. On September 24, 1998, by Resolution No. A98-365, the Board extended the date for the receipt of bids for the Skywalk Lobby Project and set the date of public hearing on the bids for November 3, 1998, with actual construction anticipated to begin in January 1999.

On February 16, 1987, by Roll Call No.87-639, the City of Des Moines and T&T entered into a Lease Agreement for certain premises, facilities, and rights all of which relate to the City's ownership and operation of the Des Moines International Airport and the operation of T&T for a Traveler Information and Convenience Center. In addition to the normal operations of a travel agent, T&T provides the Airport with services related to traveler information, paging, lost and found, and other services. Through the years the Agreement was modified by amendments which extended the Agreement until October 31, 1998, when it is scheduled to terminate.