

**CITY COUNCIL
COMMUNICATION:**

02-568

AGENDA:

NOVEMBER 4, 2002

SUBJECT:

SETTING THE DATE
OF PUBLIC HEARING
FOR APPROVAL OF
FIRST AMENDMENTS
TO THE GLADCO AND
PARADIES
CONCESSION
AGREEMENTS

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

WILLIAM F.
FLANNERY
AVIATION DIRECTOR

ITEM 20 A&B

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

SYNOPSIS —

On June 17, 2002, by Roll Call No. 1571, City Council approved the addition of Section 2-723(d) to the City Code allowing modifications to the term of certain Airport concession agreements that included the GladCo Enterprises, Inc. Concession Agreement For Food and Beverage Operations and The Paradies Shops Concession Agreement for Gift and News Operations. After Council approved the modification of Section 2-723 of the City Code, staff negotiated extension options to the existing terms of these concession agreements. The First Amendment for the Paradies agreement allows for three (3) one year extensions and the First Amendment to the GladCo agreement allows for one (1) one-year extension.

In addition, by the First Amendment with GladCo, they will be returning to the City approximately 190 square feet of space in the concourse area that is in excess to their present needs and requirements.

FISCAL IMPACT —

With these amendments there will be no effect on the rental and fee payments due the Airport. Neither the minimum annual guarantee nor the percent of gross revenue rental amounts are to be changed as part of the proposed extensions.

RECOMMENDATION —

Since both of the Concession Agreements have over three years remaining, City Council is required to approve both of the First Amendments. It is therefore recommended that Council set a date of public hearing to approve (1) the First Amendment to the GladCo Enterprises, Inc. Concession Agreement For Food and Beverage Operations and (2) the First Amendment to The Paradies Shops Concession Agreement for Gift and News Operations

BACKGROUND —

The September 11, 2001 terrorist attacks severely affected the entire aviation system, but from a business standpoint, affected most severely the airlines and the airport concession operators who provide services to the passengers and other airport users.

	<p>On April 2, 2002, by Resolution No. A02-68, the Airport Board recommended approval of a new Section 2-723(d) of the City Code that recognizes the tragic events of September 11, 2002 by allowing modifications to the term of certain Airport concession agreements.</p>
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