



Council Communication

Office of the City Manager

Date

September 11, 2006

Agenda Item No. 62

Roll Call No. 06-

Communication No. 06-555

Submitted by: Craig Smith, Aviation Director

AGENDA HEADING:

Resolution for Public Hearing on Assignment of the Food and Beverage Concession Agreement at Des Moines International Airport from Compass Group USA, Inc. d/b/a Select Service Partner to Creative Host Services, Inc.

SYNOPSIS:

On July 26, 2006, the Aviation Director was notified that Compass Group USA, Inc. d/b/a Select Service Partner had been sold to Creative Host Services, Inc. The terms of the Concession Agreement dictate that all sales or assignments of the Concession Agreement are subject to approval by the City.

FISCAL IMPACT: NONE

Amount:

Funding Source:

ADDITIONAL INFORMATION:

On June 2, 1997, by Roll Call No. 97-1974, City Council approved the Concession Agreement for Food and Beverage Operations at the Des Moines International Airport ("Agreement") with St. Clair Development Corporation d/b/a Creative Croissants, whose name was later changed to Creative Host Services, Inc.

On March 26, 2001, by Roll Call No. 01-885, City Council approved the Assignment and Assumption of the Concession Agreement from Creative Host Services, Inc. to GladCo Enterprises, Inc.

On June 17, 2002, by Roll Call No. 02-1571, City Council amended the City Code to allow for term extensions of up to three years for certain concession agreements in effect on September 11, 2001.

On November 18, 2002, by Roll Call No. 02-2741, City Council approved the First Amendment to the Agreement that allowed for option periods to extend the Agreement beyond the termination date.

On December 7, 2004, by Airport Board Resolution No. A04-251, the Airport Board recommended to City Council approval of both the (1) Assignment of the Agreement from GladCo Enterprises Inc. to Compass Group USA, Inc. d/b/a Select Service Partner, and (2) Second Amendment to the Agreement with Compass Group USA, Inc. extending the term of the Agreement.

On January 10, 2005, by Roll Call No. 05-101, City Council approved the recommendation of the Airport Board to both the (1) Assignment of Food and Beverage Concession Agreement from GladCo Enterprises, Inc. to Compass Group USA, Inc. d/b/a Select Service Partner, and the (2) Second Amendment to the Agreement with Compass Group USA, Inc.

On July 26, 2006, the Aviation Director was notified that Compass Group USA, Inc. d/b/a Select Service Partner had assigned the Concession Agreement to Creative Host Services, Inc. The terms of the Concession Agreement dictate that all sales or assignments of the Concession Agreement are subject to Consent by the City.

Both Compass Group USA, Inc. and Creative Host Services, Inc. have executed an Assignment and Assumption Agreement of the Concession Agreement for Food and Beverage Operations at the Des Moines International Airport From Compass Group USA, Inc. d/b/a Select Service Partner to Creative Host Services, Inc. and Consent of the City of Des Moines, Iowa.

PREVIOUS COUNCIL ACTION(S):

Date: June 2, 1997

Roll Call Number: 97-1974

Action: On award of Agreement for Food and Beverage Concession at the Airport, to St. Clair Development Corporation d/b/a Creative Croissants, Sayed Ali, President and Owner, 6335 Ferris Square, Suite G, San Diego, CA 92121. ([Council Communication No. 97-301](#)). Moved by McPherson to adopt. Motion Carried 6-1. Pass: Flagg.

Date: March 26, 2001

Roll Call Number: 01-885

Action: On Assignment of the Concession Agreement for Food and Beverage Operations at the Airport from Creative Host Services, Inc. to GladCo Enterprises, Inc. ([Council Communication No. 01-138](#)). Moved by Hensley to adopt. Motion Carried 7-0.

Date: November 18, 2002

Roll Call Number: 02-2741

Action: A) GladCo Enterprises to provide for an additional one-year extension option. Moved by Hensley to adopt. Motion Carried 6-1. Absent: Coleman.

Date: January 10, 2005

Roll Call Number: 05-101

Action: On approval of the Assignment of Food and Beverage Concession Agreement from GladCo Enterprises, Inc., to Compass Group USA, Inc. d/b/a Select Service Partner; and the Second Amendment

to the Food and Beverage Concession Agreement with Compass Group USA, Inc. ([Council Communication No. 05-012](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: August 21, 2006

Roll Call Number: 06-1669

Action: [On](#) Assignment of the Food and Beverage Concession Agreement at Des Moines International airport from Compass Group USA, Inc. d/b/a Select Service Partner to Creative Host Services, Inc., (9-11-06). Moved by Vlassis to adopt. Motion Carried 5-1.

BOARD/COMMISSION ACTION(S):

Date: August 15, 2006

Resolution Number: A06-158

Action: The Airport Board recommended that the City Council consent to the Assignment of the Food and Beverage Concession Agreement from Compass Group USA, Inc. d/b/a Select Service Partner to Creative Host Services, Inc.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE