



AGENDA MEMORANDUM

First Reading for the City Council Meeting of March 19, 2013
Second Reading for the City Council Meeting of March 26, 2013

DATE: March 8, 2013
TO: Ronald L. Olson, City Manager
FROM: Fred Segundo, Director of Aviation
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Authorization to execute a Long Term Lease Agreement with Host International, Inc. ("HMS Host") for the operation of a news and gift concession located at the Corpus Christi International Airport.

CAPTION:

Authorizing the City Manager, or designee, to execute a Long Term Lease Agreement ("Lease") with Host International, Inc. ("HMS Host") for the operation of a retail concession located at the Corpus Christi International Airport ("Airport"), in consideration of the greater of an annual minimum guarantee of \$110,000 or a sum equal to ten percent (10%) of the HMS Host's gross receipts, for a term of five (5) years.

PURPOSE:

Award a contract to HMS Host for continued management of our Retail Concession.

BACKGROUND AND FINDINGS:

HMS Host is the world's largest provider of food, beverage and retail services for travelers; they currently operate in 76 US Airports and 36 International locations.

Concessionaire has an Agreement that is on a "month to month" basis. The City has proposed a negotiated base agreement of 5-years with one 3-year option. An initial investment will be made by the concessionaire to remodel and upgrade the store leasehold upon execution of the Agreement. In addition, the contract calls for the concessionaire to fund \$150,000.00 in additional improvements prior to the end of the initial 5-year term.

ALTERNATIVES:

No viable alternative exists.

OTHER CONSIDERATIONS:

Not Applicable

CONFORMITY TO CITY POLICY:

The afore complies with the overall proposed concessionaire plan development of the Airport

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Legal

FINANCIAL IMPACT:

Operating Revenue Capital Not applicable

Fiscal Year: 2012-2013	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget				
Encumbered / Expended Amount				
This item				
BALANCE				

Fund(s):

Comments:

RECOMMENDATION:

Staff requests approval of Ordinance.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
HMS Host Lease