

**RICHLAND-LEXINGTON AIRPORT DISTRICT
Finances, Contracts & Planning Committee Meeting
September 12, 2022 @ 2:00 p.m. Carolina Room
Draft Minutes**

Attendance

Dan Bell, Chair; Pat Smith; Breon Walker; Jim Wellman; John Folsom; Carol Fowler; Hank Jibaja; Duane Cooper; LaJoia Broughton; Sarah Johnson (Zoom)

Staff

Mike Gula; Gregg Hornsby; Eddie Martin; Frank Murray; Ryan Kreulen; Tamie Head; Kim Crafton; Lindsay Copelan; Malia Ropel; Jessica Foster; John Fisher (Attorney); Lynne Douglas (Secretary)

Guests

Herbert and Sandra Sims (Carolina Concessions)

1. Welcome, Introductions and Call to Order

Chair Bell welcomed everyone and called the meeting to order.

2. Determination of a Quorum

Chair Bell stated that a quorum was present.

3. Approval of the August 15, 2022 Meeting Minutes

Commissioner Wellman made a motion to approve the minutes. Commissioner Smith seconded the motion. Motion carried.

4. NAI Land Market Packet

Mr. Murray gave a brief overview of when NAI was retained as a broker for some of CAE's land parcels. He said they have been very active and successful. He expressed staff's recommendation to retain NAI for another year so as to continue with the program as outlined in their presentation (included in Commission packet). Commissioner Wellman made a motion to extend NAI's contract for an additional year through September 2023. Commissioner Smith seconded the motion. Motion carried.

5. Sale/Appraisal of Sites 11A and 11C

Mr. Murray reported that the appraisal for Site 11A came in at \$130,000. The offer on the table is \$290,000. Commissioner Smith made the motion to accept the offer of \$290,000. Commissioner Wellman seconded the motion. Motion carried.

Reference Site 11C, Commissioner Folsom recused himself from the discussion and from the meeting room as his company is representing the potential buyer. Mr. Murray reported that the updated appraisal for this site is \$1,150,000. The offer that has been received is higher than the appraisal. After some additional comments, Commissioner Smith made a motion to sell Site 11C at the offered price of \$1,156,800. The motion was seconded and approved.

6. **Executive Session**

An Executive Session was called during the discussion of Agenda Item 7, Concessionaires. Because the discussion involved a contractual matter, Airport Attorney Fisher suggested an Executive Session as Mr. and Mrs. Sims had entered the committee meeting during the discussion. Prior to entering Executive Session, Commissioner Walker made a motion to have Mr. and Mrs. Sims present specifically what they are asking for to include any deadline sensitive information. Commissioner Wellman seconded the motion. Motion carried. Mrs. Sims provided the requested information.

Commissioner Wellman made a motion to enter Executive Session to discuss a contractual matter. Commissioner Smith seconded the motion. Motion carried.

After coming out of Executive Session, no action was taken.

7. **Concessionaires**

There was much discussion during this agenda item. Below are a few highlights. Mr. Gula began the discussion by saying that staff has been approached by both Carolina Concessions, our food and beverage concessionaire, and by Paradies, our retail concessionaire, to extend their contracts by ten years. They both plan to provide capital funding. He went on to say that staff is recommending using the RFP process for all concessionaires when their current term of agreement expires. He said, however, that staff needs direction whether to move forward with the RFP process which is the industry standard and will allow us to better compete with peer airports or to continue with contract extensions.

Mr. Hornsby said that the food and beverage and retail concessions are a significant part of our travelers' experiences and they need to be re-assessed. He said the best way to do that is to go out to the market through a RFP process. Prior to issuing a RFP, research would take place to determine what travelers want, what new ideas and technology are in the market, and what would give us the best competitive advantage.

After continued discussion, Commissioner Walker said that Mrs. Sims (Carolina Concessions) stated, at the August Commission meeting, that she was facing a deadline issue with the national brands she was working with. She continued by saying that Mrs. Sims was asked to get national brands and she accomplished that effort.

Commissioner Folsom said that he would like to see a schedule of all the vendors to include date of contract, the initial term, and renewal options. He went on to say that the issue for Carolina Concessions is that they are in flux now. In order to bring in these national brands, they need to extend the terms of their contract so as to amortize the capital expenditures over a longer period of time. Commissioner Walker agreed and expressed her concern about the deadline that Mrs. Sims talked about at the last Commission meeting and the possible delay by the Commission. More discussion continued.

Because the discussion involved a contractual matter, Airport Attorney Fisher suggested an Executive Session as Mr. and Mrs. Sims had entered the committee meeting during the discussion. Prior to entering Executive Session, Commissioner Walker made a motion to have Mr. and Mrs. Sims present specifically what they are asking for to include any deadline sensitive information. Commissioner Wellman seconded the motion. Motion carried.

Mrs. Sims provided the requested information. She was asked if she had a Pro Forma. She stated that she did and shared that information with the committee. She continued on by describing her actions to date to bring in Dunkin' Donuts, Jimmy John's, and Samuel Adams as national brands to include timelines and costs to date. Their investment to date is \$15,000 for design costs. September 15, 2022 was a 90-day deadline with Inspired Brands, the owner of Dunkin' Donuts and Jimmy John's. They are looking for a seven year lease with the Sims. Mrs. Sims said that the total capital improvement cost is \$950,000. She stated that the financing is in place.

At this point, a motion was made to enter Executive Session as stated above in Agenda Item 6.

8. Old/New Business

There was no additional business.

9. Discussion/Suggestions

There was no additional discussion.

10. Adjournment

Chair Bell adjourned the meeting.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Lynne Douglas".

Lynne Douglas, Commission Secretary