

OHIO TURNPIKE COMMISSION

**Resolution Authorizing Executive Director to
Modify Service Plaza Operator Contracts Relative to
Guaranteed Minimum Rents**

WHEREAS, the Commission has numerous contracts with service plaza operators to operate restaurants and retail gift shops ("units"), which contracts contain clauses requiring the various operators to pay guaranteed minimum rents ("GMR's") to the Commission on an annual basis; and

WHEREAS, the Commission was advised in February 2006 when it adopted Resolution 2-2006 entitled, "Resolution Authorizing Executive Director to Approve Modifications to HMS Host Agreements," that the staff was reviewing GMR's and that contract modifications would be made to aggregate GMR's where possible; and

WHEREAS, Commission staff consisting of the former deputy executive director, the director of service plaza operations and the director of contracts administration have engaged in an extensive review of the GMR's, which they have concluded were originally based on square footage and hours of operation of each unit, not the overall revenue-making capabilities of each unit; and

WHEREAS, on an annual basis, total rents paid to the Commission from all restaurant and retail operations at the service plazas have consistently exceeded annual GMR's when they are aggregated; and

WHEREAS, these Commission staff members have further concluded and recommended that, from a billing and fairness standpoint, existing operator contracts should be modified to aggregate the GMR's per operator at each service plaza set and that the GMR amounts for certain operator contracts should be adjusted to reflect historically accurate sales figures; and

WHEREAS, the staff is further recommending that the contract modifications be dated to include calendar year 2006 (as was contemplated under Resolution 2-2006), which will result in the waiver of any GMR arrearages for calendar year 2006; and

WHEREAS, the proposed contract modifications will primarily affect the operator contracts of HMS Host at the Great Lakes/Towpath and Portage/Brady's Leap service plazas where GMR arrearages currently exist; and

WHEREAS, because the recommendation involves altering compensation provisions of existing service plaza operator contracts, Commission approval to authorize the executive director and the director of contracts administration to revise the existing contracts is being requested pursuant to Ohio Revised Code Section 5537.13(B); and

WHEREAS, the chief engineer, who presently oversees service plaza operations, and the executive director have reviewed the aforementioned staff recommendations and concur that the above-described modifications to the service plaza operators contracts should be approved by the Commission and that GMR arrearages for calendar year 2006 should be waived; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby concurs with the recommendations regarding the requested contract modifications and authorizes the executive director and the director of contracts administration to execute contract addenda incorporating the requested modifications to the GMR's of the various service plaza operator contracts and that such modifications should include calendar year 2006 with the result that GMR arrearages for calendar year 2006 shall be waived.

(Resolution No. 32 - 2007 adopted August 20, 2007)