

# OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

## Resolution Authorizing Agreement with AVI Foodsystems, Inc for the Operation of Food and Retail Concessions at the Commission’s Blue Heron and Wyandot Service Plazas

WHEREAS, the Ohio Turnpike and Infrastructure Commission’s (“Commission”) contracted with CKR-Hardee’s Food Systems, expired on December 15, 2021, however, CKR-Hardee’s agreed to operate the Hardee’s brand and the retail store on a month-to-month basis until such time that a new contract can be awarded; and

WHEREAS, on December 23, 2021, in conformance with the requirements of Ohio Revised Code Section 5537.13, the Commission published notice of its Request for Proposals (“RFP”) (RFP No. 24–2021) for Food and Retail Concession Operations at the Blue Heron and Wyandot Service Plazas in Sandusky County (Agreement No. 2021-SP-3-FRC); and

WHEREAS, proposals were due to be received by the Commission by March 11, 2022; and

WHEREAS, the Commission received two (2) responses to RFP No. 24-2021 from AVI Foodsystems, Inc (“AVI”), of Warren, Ohio and Applegreen, USA Welcome Centers, LLC of Andover, Massachusetts; and

WHEREAS, an Evaluation Team consisting of staff from the Service Plaza Operations Department reviewed the Proposals submitted and concluded that the Proposal submitted by AVI to build out and operate a Retail Store, as Starbucks and a Freshens restaurant while continuing to operate and refresh the existing Hardee’s brand, occupying 4,359 square feet and committing to a Capex of \$2.8 Million to complete the fit out of Unit space and fulfills the requirements of the RFP in terms of branding, financial and operational capabilities and further indicated in the evaluation summary that AVI has significant experience, expertise and resources in operating food and retail concessions in transportation service sectors; and

WHEREAS, Revenue Sharing Proposals were then unsealed; and

WHEREAS, AVI submitted the best Technical and Revenue Sharing Proposal, with the overall Proposal summarized as follows:

<b>Concessionaire</b>	<b>Brand Concepts</b>	<b>Revenue Sharing Return on Gross Receipts</b>
AVI Foodsystems, Inc. of Warren, Ohio	<ul style="list-style-type: none"><li>• Hardee’s</li><li>• Starbucks</li><li>• Freshens</li><li>• Retail store (TBD)</li></ul>	<ul style="list-style-type: none"><li>• 4% of Gross Receipts</li><li>• Guaranteed Minimum Annual Payment (GMAP) Schedule: (1) July 2022-December 2023 – No GMAP; (2) January 2024-December 2024 – Actual Concession Fees earned Jan. 2023 to Dec. 2023, plus 2%; (3) Each year thereafter, the guarantee will be the Actual Concession Fees earned the previous operating year, plus 2%</li></ul>

WHEREAS, in addition to the foregoing, AVI will pay a monthly property maintenance fee in the amount of four percent (4%) of gross revenue, a monthly capital improvement fee in the amount one percent (1%) of gross revenue and fifty percent (50%) of the common area maintenance fee for Unit 1 and reinvest 0.75% of Gross Receipts at the expiration of the initial term as the Operator’s Minimum Capital Reinvestment Reserve Commitment; and

WHEREAS, the Commission’s Director of Contracts Administration has determined that the AVI’s proposal conforms to the requirements of Ohio Revised Code Sections 5537.07 and 5537.13, Proposals were solicited on the basis of the same terms and conditions with respect to all respondents and potential respondents, AVI has provided the requisite proposal guaranty and proof of insurance required under the RFP, and the Commission may legally accept said company’s proposal; and

WHEREAS, the Executive Director has reviewed the recommendation of the Evaluation Team, predicated upon their analysis, has made his recommendation to the Commission that Agreement No. 2021-SP-3-FRC be awarded to AVI; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED, that the Proposal submitted by AVI Foodsystems, Inc of Warren, Ohio, for the performance of Food and Retail Concession Operations at Blue Heron and Wyandot Service Plazas is hereby accepted, and that the Executive Director and/or General Counsel are directed to: 1) execute Agreement No. 2022-SP-3-FRC with AVI Foodsystems, Inc, for an initial term of ten (10) years, 2) exercise the available options to renew said Agreement for up to five (5) additional, five-year periods, and 3) take any and all action necessary to properly carry out the terms of said Agreement.

**(Resolution No. 52-2022 adopted June 21, 2022)**