Legislation Text

File #: 22-2837, **Version:** 1

TO: **Mayor and Members of City Council**

THRU: **Karen M. McDonald, City Attorney**
Telly Whitfield, Assistant City Manager

FROM: **Kecia N. Parker, NCCP**
Alvester T. (Toney) Coleman, PhD, A.A.E.

DATE: **August 8, 2022**

RE:
Approval of License Agreement with Interspace Services, Incorporated d/b/a Clear Channel Airports Their Successors or Assigns at the Fayetteville Regional Airport

COUNCIL DISTRICT(S):
All

Relationship To Strategic Plan:
Goal II - Responsive City Government Supporting a Diverse and Viable Economy-Have a strong, diverse, and local viable economy
Objective 2.1 - To ensure a diverse tax base

Goal IV - Desirable Place to Live, Work and Recreate
Objective 4.1 - To maintain public transportation investments with high quality transit and airport services

Executive Summary:
Interspace Services Incorporated d/b/a Clear Channel Airports has had a License Agreement for advertising space within the Airport terminal building since 1998. The term of the lease will be for four years beginning September 1, 2022.

Background:
The mission and goal of the Fayetteville Regional Airport (FAY) is to provide safe and efficient airport operation to meet the aviation needs of the community. The Airport serves an eleven county service area with a catchment population of over 430,000 residents. The Airport generates 960,000 Origination & Destination passengers per year with its two current legacy carriers to three major hubs in Atlanta, Charlotte and Ft. Worth. It has an estimated regional economic impact of over $790 million. The Airport has been self-sustaining since 1994; meaning there has been no use of City General Funds for operational or capital expenditures for nearly thirty years.

Interspace Services Incorporated d/b/a Clear Channel Airports has had a License Agreement for advertising space within the Airport terminal building since 1998. Pre-pandemic they were given an extension of their lease in return for capital improvements within the terminal. Unfortunately, they were unable to realize adequate return on their investments due to COVID-19. Airport Management is very satisfied with advertising products and desires to retain Clear Channel Airports services for four additional years so they might fully realize a return on their investment.

The Airport Commission is recommending the above to be entered into by the City to continue the longstanding relationship with Clear Channel Airports.

Issues/Analysis:
None

Budget Impact:
All revenues will remain with the Airport Operating Fund and there will be no impact to the City of Fayetteville General Fund.

Options:
- Approve the proposed License Agreement and allow the City Manager to execute the document on behalf of the City.
- Disapprove the proposed License Agreement and not allow the City Manager to execute the document on behalf of the City.

Recommended Action:
Staff recommends City Council approve the proposed License Agreement and allow the City Manager to execute the document on behalf of the City

Attachments:
Proposed License Agreement
Resolution