

Minutes of the Game, Fish, and Parks Commission
Special Teleconference
February 7, 2013

Chairwoman Susie Knippling called the Commission teleconference to order at 2:01 PM Central Time. Answering roll call were Commissioners Susie Knippling, John, Cooper, Jim Spies, Cathy Peterson, Barry Jensen, Duane Sather, and Gary Jensen. The Sioux Falls and Rapid City regional offices were present by conference phone. Present at the Pierre office in the Joe Foss building were Secretary Jeff Vonk, Parks Director Doug Hofer, Parks Concession Manager Sean Blanchette, Attorney Richard Neill, Debra Ascher, Tom Kirschenmann, Al Nedved, and Chuck Schlueter.

Parks Director Hofer presented background information about the Lewis and Clark Marina Concession indicating the Department met with current concessionaire Russ Marsh and his attorney in January. Mr. Marsh is in the ninth year of a ten-year agreement and indicated he would like to sell his assets relating to the concession lease. Mr. Marsh has provided an asset list and is asking about \$2.86 million for the 400 marina slips with walkways; 50 personal watercraft docks; kitchen equipment and fixtures in the restaurant; and furniture, fixtures, and equipment related to the marina repair service, convenience store, and other operations of the concession. The Department will advertise the business opportunity containing the selling price agreed up on between Mr. Marsh and the Department. In order to sell the marina in accordance with Marsh's asking price, the advertisement must take place prior to the final 18-months of the lease when an appraisal of the facilities will be required.

Sean Blanchette outlined the differences between the concession lease to be advertised and current lease agreement. Director Hofer indicated the desire to advertise the opportunity two different ways with the preference for a single concessionaire to operate the marina and the restaurant. The advertisement will also provide for individual bids for the marina or the restaurant and the prospectus will define different criteria for the individual bids. The Commission could be asked to approve a Concession Agreement at the May meeting should a successful bidder(s), Russ Marsh, and the Department reach terms for the upcoming summer season.

Discussion included timeframe for the process with viable bids or if no bids are received, operations for the coming season, franchise fees, profitability, and past revenues. The process to request bids will change if no viable concessionaire agreement(s) are secured through this process and the current lease is within 18-months of expiration. The Department would then advertise a new prospectus with the value of Mr. Marsh's marina assets determined by an appraisal.

Motion by Petersen, second by Cooper TO AUTHORIZE THE DEPARTMENT TO DRAFT AND ADVERTISE FOR 60 DAYS A REQUEST FOR PROPOSAL FOR A CONCESSIONAIRE OR CONCESSIONAIRES AT LEWIS AND CLARK RECREATION AREA TO PURCHASE AND OPERATE THE MARINA AND/OR RESTAURANT AS EITHER A COMBINED OPERATION UNDER A SINGLE CONCESSION AGREEMENT OR INDIVIDUALLY UNDER SEPARATE CONCESSION AGREEMENTS WHICH WILL

INCLUDE THE PROPOSED MINIMUM REQUIRED SERVICES AND FEE STRUCTURES. FINAL CONCESSIONAIRE SELECTION(S) AND CONCESSION AGREEMENT(S) WILL BE SUBJECT TO COMMISSION APPROVAL. Roll call vote: Cooper-yes; Barry Jensen-yes; Gary Jensen-yes; Peterson-yes; Sather-yes; Spies-yes; Knippling-yes. Motion carried.

Gary Jensen made motion to adjourn the meeting and Spies second the motion. Motion carried and the teleconference meeting ended at 2:28 PM.

Respectfully submitted,

Jeffrey R. Vonk, Department Secretary

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