



City of San Antonio

Agenda Memorandum

File Number: 17-5276

Agenda Item Number: 14.

Agenda Date: 11/9/2017

In Control: City Council A Session

DEPARTMENT: Aviation

DEPARTMENT HEAD: Russell J. Handy

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Concession Agreement with Taste, Inc dba Vino Volo in Terminal A at the San Antonio International Airport

SUMMARY:

This Ordinance authorizes a concession agreement with Taste, Inc dba Vino Volo (Vino Volo) in Terminal A at the San Antonio International Airport for a term of seven years, commencing no later than March 15, 2018. The vendor will pay the City at least the minimum annual guarantee (MAG) of \$70,000.00. In addition, the concessionaire will pay the City percentage fees of 10% of gross sales of \$1,200,000.00 and below or 14% of gross sales above \$1,200,000.00 and other logistics and maintenance fees.

BACKGROUND INFORMATION:

In May 2008, City Council authorized a concession agreement with Vino Volo through Ordinance 2008-05-01-0344. A boutique retail store, Vino Volo occupies approximately 777 square feet and is located across from the Terminal A Security Checkpoint. The store opened on July 2008 with a seven year term with the option to extend for three additional one-year periods.

Vino Volo operates a retail/eatery concept that allows passengers to enjoy a gourmet meal and/or purchase ready to go food items, wines from Texas and around the world, wine guides and magazines, wine-serving accessories and wine-related gifts. The City would like to continue this concept at the San Antonio International Airport through a new agreement. Under the agreement, the term will commence when renovation of their space is complete, but no later than March 15, 2018.

Vino Volo will make a capital investment at the cost of a minimum of \$300.00 per square foot to update the space with improvements in the public and non-public areas of the leasehold, such as new flooring, furniture and equipment. If all improvements are not completed by March 15, 2018, the concessionaire will be in material breach with the City. The City and Vino Volo have worked together to develop a schedule and begun the review of plans already. Construction work will not begin until City Council approves the new agreement.

The term of the agreement is for seven years and will commence when the concession completes its improvements and opens for business, but no later than March 15, 2018.

ISSUE:

City Council approval is required for concession agreements over six months.

ALTERNATIVES:

City Council could elect to not approve this item and request a new solicitation for space. Vino Volo provides a unique eatery/retail experience for a niche market in the airport industry that is popular among passengers of the San Antonio International Airport.

FISCAL IMPACT:

The minimum annual guarantee (MAG) is set at \$70,000.00 for the first year, which is the floor, and will adjust to 85% of actual payments for subsequent years if that number exceeds the MAG. In addition, the concessionaire will pay the City percentage fees which include:

- 10% of gross sales of \$1,200,000.00 and below; or,
- 14% of grow sales above \$1,200,000.00.

RECOMMENDATION:

Staff recommends the approval of the concession agreement with Taste DBA Vino Volo at the San Antonio International Airport.