



# City of San Antonio

## Agenda Memorandum

**File Number:** 19-6685

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**Agenda Item Number:** 22.

**Agenda Date:** 9/12/2019

**In Control:** City Council A Session

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**DEPARTMENT:** Aviation

**DEPARTMENT HEAD:** Russell Handy

**COUNCIL DISTRICTS IMPACTED:** Citywide

### **SUBJECT:**

Lease Agreement with R&J International Company dba Dunkin Donuts for the operation of a food service kiosk concession at the San Antonio International Airport

### **SUMMARY:**

City Council consideration of a lease agreement with R&J International Company dba Dunkin Donuts (Dunkin Donuts) to operate a food service kiosk concession at the San Antonio International Airport. The rental rate is in the amount of 14% of gross revenue which will be paid monthly through the expiration of the agreement on March 8, 2020.

### **BACKGROUND INFORMATION:**

Dunkin Donuts has operated a kiosk in the food court of Terminal A since the location it previously occupied was closed to allow for the expansion of the Terminal A Security Checkpoint. The Aviation Department and operator would like to continue the kiosk operation, which is approximately 40 square feet through March 8, 2020.

Sales for the kiosk have increased by an average of 20% since March 2019. Additionally, the kiosk is one of two locations in Terminal A predominately serving coffee for patrons during the construction period for the first phase of the new concessionaires.

### **ISSUE:**

City Council authorization is required for lease agreements over six months.

The lease agreement will allow Dunkin Donuts to continue operating a moveable kiosk that offers donuts, coffee and other associated products through March 8, 2020. As part of the agreement, Dunkin Donuts will pay the Airport System 14% of its gross revenue every month. The location of the kiosk is anticipated to remain in the food court of Terminal A, but the Aviation Director has the sole discretion to change the location with a 30-day written notice.

**ALTERNATIVES:**

City Council could chose to not approve this lease agreement, which would mean Dunkin Donuts could not continue to operate in Terminal A and the Airport System would not generate revenue from the kiosk.

**FISCAL IMPACT:**

Ordinance authorizing a lease agreement with R&J International Company dba Dunkin Donuts to operate a food service kiosk concession at the San Antonio International Airport through March 8, 2020. The concessionaire agrees to pay the Airport System 14% of its gross revenue every month for the operation of the kiosk in Terminal A.

**RECOMMENDATION:**

Staff recommends the approval of the lease agreement with Dunkin Donuts to operate a kiosk in Terminal A at the San Antonio International Airport.