



# City of San Antonio

## Legislation Details (With Text)

**File #:** 16-4199

**Type:** Staff Briefing - Without Ordinance

**In control:** Economic and Human Development Committee

**On agenda:** 8/2/2016

**Title:** Briefing and possible action on the Concession Plan for Terminal A for the San Antonio International Airport. [Carlos Contreras, Assistant City Manager; Noel T. Jones, Director, Aviation]

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. EHDC\_August 2\_Item 2\_Concessions Presentation

Date	Ver.	Action By	Action	Result
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**DEPARTMENT:** Aviation

**DEPARTMENT HEAD:** Noel T. Jones

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Briefing and Possible Action on the Concessions Plan for Terminal A at the San Antonio International Airport

**SUMMARY:**

The Aviation Department will brief the Economic and Human Development Committee (EHDC) on the proposed concession plan for Terminal A at the San Antonio International Airport. With the upcoming Terminal A/B Connector and Terminal A Security Checkpoint expansion project, the plan proposes providing a 10-year contract for six of the food and beverage concepts in Terminal A, and extending short-term renewals to seven other concepts until the design for the Connector project is complete.

**BACKGROUND INFORMATION:**

The Aviation Department will brief the EHDC members on the proposed concessions plan for locations in Terminal A which are currently operating under the month-to-month (holdover) provisions in their lease agreements. The Terminal A/B Connector and the Terminal A Security Checkpoint Expansion project are

currently in the programming stage and have not identified specific locations that will be impacted by the projects. Currently, there are seven locations that may be significantly impacted by future construction for the mentioned projects, and exact locations will be unknown until the project design is finalized. For this reason, the Department is proposing a short-term extension of the existing concepts. The Aviation Department will release a solicitation for new concepts for the remaining six food and beverage locations that will not be impacted by the Terminal A/B Connector Project.

The Aviation Department is proposing a prime concessionaire for six locations; five are currently occupied by Blimpie Subs and Salads, Iceman Gervin's Sports Bar, Natalie's Candy Jar, Raising Cane's and Marcy's Travel Center (pre-security). The sixth will be a coffee cart in the baggage claim area. The solicitation will require three local concepts, encourage healthy foods and require a five-year refreshment of the facilities during the 10-year term.

#### Extension of Current Agreement

The Aviation Department is proposing extension of the current agreements for InMotion, Stars of San Antonio, Brookstone, Vino Volo, Dunkin Donuts, Starbucks and Simply Books through June 2018 with two, one-year renewal options. The extension will provide the vendors some certainty in the years ahead so they can address staffing and financing needs. As a condition of the extension agreement for the Simply Books/Starbucks location, World Duty Free (the lease) and Host (the subleasee) will be required to resolve the coffee queuing line issue which sometimes extends into the concourse and blocks passenger circulation.

#### **ISSUE:**

The presentation is for briefing purposes. Following the EHDC meeting, the Finance Department will present the item to the Audit Council Committee at the August meeting.

#### **FISCAL IMPACT:**

The Minimum Annual Guarantee is expected to generate \$10,900,000.00 over the 10-year term of the Prime Concessionaire agreement.

#### **RECOMMENDATION:**

Staff recommends the members of the Economic and Human Development Council Committee approve the solicitation to move forward to the Audit Council Committee and the extension of the lease agreements for the remaining locations currently operating under their holdover provisions.