



City of San Antonio

Agenda Memorandum

File Number:14-524

Agenda Item Number: 19.

Agenda Date: 4/10/2014

In Control: City Council A Session

DEPARTMENT: Convention & Sports Facilities

DEPARTMENT HEAD: Michael J. Sawaya

COUNCIL DISTRICTS IMPACTED: Council District 2

SUBJECT:

Amendments to Catering and Concession Agreements at the Alamodome

SUMMARY:

This Ordinance authorizes amendments to the catering and concessions services performed at the Alamodome by the RK Group LLC and Aramark Sports and Entertainment Services of Texas, Inc. These amendments transfer catering and concessions services performed by the RK Group on the Club Level and grounds of the Alamodome and incorporates these services into the scope of Aramark's services.

BACKGROUND INFORMATION:

The First Amended and Restated License Agreement with Aramark transferred the provision of catering, restaurant and Club Level concession services at the Alamodome to the RK Group.

Similarly, the Second Amendment of the Henry B. Gonzalez Convention Center (HBGCC) Food and Beverage Service and Concession Services Agreement extended the RK Group's exclusive rights to provide food, beverage and concession services at the HBGCC and Lila Cockrell Theatre through September 30, 2015. Under this agreement, the RK Group also assumed Club Level and grounds concessions, and suite catering, at the Alamodome.

Both contract amendments were approved by City Council on August 14, 2008.

ISSUE:

The University of Texas at San Antonio and the Valero Alamobowl, two of the Alamodome's major tenants, have shown interest in increasing service levels on the Club Level as a matter of differentiation. The RK Group has expressed their desire to relinquish all food and beverage services on the Club Level and grounds of the Alamodome, but would like to retain catering on the floor of the facility.

Under Aramark's current contract, they provide concessions for all levels of the Alamodome, except the Club Level. Aramark is supportive of assuming Club Level catering and concessions, and the food and beverage concessions on the grounds.

The transition will be effective May 1, 2014.

ALTERNATIVES:

The catering and concessions contracts could remain unchanged for the remainder of their respective terms through September 30, 2015; however, this would impair the Alamodome's ability to achieve enhanced service levels on the Club Level as requested by the facility's major tenants. Additionally, this option doesn't address the expressed desires of the RK Group to relinquish Club Level concessions.

FISCAL IMPACT:

The Aramark commission structure will remain the same as the RK Group agreement - 25% of gross receipts for Club Level concessions, 27% for restaurant and suite catering, and 35% for grounds concessions. Revenue generated from these agreements is budgeted in the FY 2013-2014 Community and Visitor Facilities Fund. This amendment will not affect the projected revenues for the fund.

RECOMMENDATION:

Staff recommends authorizing the amendments to both the RK Group and Aramark agreements to modify concession services at the Alamodome.