

AN ORDINANCE      **96791**

ACCEPTING THE PROPOSALS OF NEVER TOO LATE BUSINESS AND COMMUNICATION CENTERS, L.L.C., FARIAS, INC., D.B.A. TEXAS TAX BACK, THE CLOTHES HANGAR, INC. D.B.A. LANDING GEAR, SECURITY SERVICE FEDERAL CREDIT UNION, THE SWATCH GROUP U.S., D.B.A. SWATCH WATCHES, NGS/DFSA-SAN ANTONIO JOINT VENTURE, ALICE S. PEREZ D.B.A. TEXAS EXECUTIVE, LE PETIT BISTRO, INC., LA TRELLE'S MANAGEMENT CORPORATION D.B.A. MARBLE SLAB CREAMERY, K & M CONCESSIONS GROUP, INC. D.B.A. POPEYES CHICKEN & BISCUITS, AND CREATIVE HOST SERVICE, INC. D.B.A. LAS PALAPAS; AUTHORIZING THE CITY MANAGER TO EXECUTE STANDARD CONCESSION AGREEMENTS, PURSUANT THERETO, FOR THE RESPECTIVE OPERATION OF A CLOTHING BOUTIQUE, FIVE (5) SECURITY SERVICE FEDERAL CREDIT UNION ATM LOCATIONS, A FASHION WATCH AND JEWELRY FACILITY, A NEWS AND GIFT SHOP, A GOLF SHOP, A SPECIALTY RETAIL BOUTIQUE, A BISTRO, AN ICE CREAM AND YOGURT SHOP, POPEYES CHICKEN AND A LAS PALAPAS FULL SERVICE RESTAURANT IN AIRPORT TERMINALS AT SAN ANTONIO INTERNATIONAL AIRPORT, FOR TERMS OF FIVE (5) AND SEVEN (7) YEARS AND PROVIDING FOR ANNUAL PAYMENTS TO THE CITY OF SAN ANTONIO OF THE GREATER OF FOUR PERCENT (4%) TO SIXTY-ONE PERCENT (61%) OF GROSS REVENUE, OR MINIMUM ANNUAL GUARANTEE PAYMENTS OF BETWEEN \$7,500.00 AND \$170,000.00.

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**WHEREAS**, proposals were solicited by the City of San Antonio ("City") for the operation of a number of concessions at San Antonio International Airport; and

**WHEREAS**, on or about June 28, 2002 proposals were submitted in response to the City's request; and

**WHEREAS**, the proposal of Never Too Late Business and Communications Centers, L.L.C. ("Nev2Late") was judged to be acceptable and recommended by the City - Wide Selection Committee, and the City now wishes to grant Nev2Late the right to offer business center and financial services in Terminals 1 and 2; and

**WHEREAS**, Nev2Late will enter a sublease arrangement with City Employees Federal Credit Union to provide financial services as well as ATMs located within the business center sites, and

**WHEREAS**, the proposal of Farias, Inc. d.b.a. Texas Tax Back, was judged to be acceptable and recommended by the City-Wide Selection Committee, and the City now wishes to grant Farias the right to offer tax reimbursement services to foreign travelers; and

**WHEREAS**, the proposal of The Clothes Hangar, Inc. d.b.a. Landing Gear, was judged to be acceptable and recommended by the City-Wide Selection Committee, and the City now wishes to grant The Clothes Hangar the right to operate a clothing boutique; and

**WHEREAS**, the proposal of Security Service Federal Credit Union, was judged to be acceptable and recommended by the City-Wide Selection Committee, and the City now wishes to grant the Credit Union the right to operate ATM locations in terminals; and

**WHEREAS**, the proposal of the Swatch Group U.S., Inc. d.b.a. Swatch Watches, was judged to be acceptable and recommended by the City-Wide Selection Committee, and the City now wishes to grant Swatch Watches the right to operate a fashion watch and jewelry facility in Terminal 1; and

**WHEREAS**, the proposal of NGS/DFSA-San Antonio Joint Venture, was judged to be acceptable and recommended by the City-Wide Selection Committee, and the City now wishes to grant NGS/DFSA the right to operate two (2) retail shops in Terminal 1; and

**WHEREAS**, the proposal of Alice S. Perez d.b.a. Texas Executive, was judged to be acceptable and recommended by the City-Wide Selection Committee, and the City now wishes to grant Texas Executive the right to operate a specialty retail boutique in Terminal 1; and

**WHEREAS**, the proposal of Le Petit Bistro, Inc., was judged to be acceptable and recommended by the City-Wide Selection Committee, and the City now wishes to grant Le Petit Bistro the right to operate a Bistro in Terminal 1; and

**WHEREAS**, the proposal of La Trelle's Management Corporation d.b.a. Marble Slab Creamery was judged to be acceptable and recommended by the City-Wide Selection Committee, and the City now wishes to grant Marble Slab the right to operate an ice cream and yogurt shop in Terminal 1; and

**WHEREAS**, the proposal of K&M Concessions Group, Inc. d.b.a. Popeyes Chicken & Biscuits was judged to be acceptable and recommended by the City-Wide Selection Committee, and the City now wishes to grant Popeyes Chicken the right to operate a Popeyes Chicken Restaurant in Terminal 1; and

**WHEREAS**, the proposal of Creative Host Service, Inc., d.b.a. Las Palapas was judged to be acceptable and recommended by the City-Wide Selection Committee, and the City now wishes to grant Las Palapas the right to operate a full service restaurant and bar in Terminal 1; and

**WHEREAS**, it is now necessary to accept the proposals and execute San Antonio International Airport Standard Concession Agreements; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO**

**SECTION 1.** The proposals of Never Too Late Business and Communication Centers, LLC, Farias, Inc. d.b.a. Texas Tax Back, The Clothes Hangar, Inc. d.b.a. Landing Gear, Security Service Federal Credit Union, The Swatch Group U.S., d.b.a. Swatch Watches, NGS/DFSA-San

Antonio Joint Venture, Alice S. Perez d.b.a. Texas Executive, Le Petit Bistro, Inc., La Trelle's Management Corporation d.b.a. Marble Slab Creamery, K&M Concessions Group Inc., d.b.a. Popeyes Chicken & Biscuits, and Creative Host Service, Inc. d.b.a. Las Palapas; received on or about June 28, 2002, in accordance with the Request for Proposals for the operation of concessions in Terminal 1 and 2 of the San Antonio International Airport, are hereby selected for negotiation. Copies of each Proposal is on file in the Office of the Aviation Director and are incorporated herein by reference. All other proposals submitted are hereby rejected.

**SECTION 2.** In the event any San Antonio International Airport Standard Concession Agreements for operation of concessions by the selected proposers, copies of which are attached hereto in substantial form and incorporated by reference herein, are not signed by all parties thereto, within one hundred eighty (180) days from the date of this Ordinance, then those remaining unsigned shall become null and void, and any further signed documents must again be considered by City Council.

**SECTION 3.** If within the next one hundred eighty (180) days, any of the San Antonio International Airport Standard Concession Agreements are signed by the selected and recommended concessionaires, in substantially the same form and content as the Standard Concession Agreement, then the City Manager or her designee is hereby authorized to execute such Concession Agreements, without further City Council action. Should the Concessionaire sign a Concession Agreements which varies substantially from the form and content of the attached Standard Concession Agreements, then such varied Concession Agreement must be subsequently considered and approved by City Council.

**SECTION 4.** The Standard Concession Agreement with Never Too Late Business and Communication Centers, L.L.C. (Nev2Late), a DBE certified by the South Central Texas Regional Certification Agency (SCTRCA), provides for the operation of a business center and financial services, in a space of approximately 1,363 square feet in Terminal 1 and 1,229 square feet in Terminal 2, for a five (5) year term. This concessionaire will enter into a sublease arrangement with City Employees Federal Credit Union to provide financial services as well as ATMs located in the business center sites and will pay the City the greater of 4% of gross revenues for financial services, 8% of gross revenues business services and 40% of ATM gross revenues or a Minimum Annual Guarantee of \$7,500.00 for the first year \$10,000.00 for the second year, \$12,500.00 for the third year, \$15,000.00 for the fourth year and \$17,500.00 for the fifth year.

**SECTION 5.** The Standard Concession Agreement with Farias, Inc. d.b.a. Texas Tax Back, a certified MBE by the SCTRCA, provides for the operation of a tax reimbursement service to foreign travelers, in a space of approximately 392 square feet in Terminal 1, for a five (5) year term. The Concessionaire will pay the City the greater of 4% of gross revenues or a Minimum Annual Guarantee of \$18,000.00 per year for the first two years and \$19,500.00 per year for the remaining term.

**SECTION 6.** The Standard Concession Agreement with The Clothes Hangar, Inc. d.b.a. Landing Gear, a woman owned business seeking certification as a DBE by the SCTRCA, provides for the operation of a clothing boutique, in a space of approximately 250 square feet in Terminal 2, for a five (5) year term. The Concessionaire will pay the City the greater of 15% of

gross revenues or a Minimum Annual Guarantee of \$37,000.00 per year for the first two years and \$40,000.00 per year for the remaining term.

**SECTION 7.** The Standard Concession Agreement with Security Service Federal Credit Union, provides for the operation of two (2) ATM locations in Terminal 2 and three (3) ATM locations in Terminal 1 for a five (5) year term. The Concessionaire will pay the City the greater of 61% of gross revenues or a Minimum Annual Guarantee of \$50,000.00 per year for the first two years and \$53,000.00 per year for the remaining term.

**SECTION 8.** The Standard Concession Agreement with The Swatch Group U.S., Inc. d.b.a. Swatch Watches, provides for the operation of a fashion watch and jewelry facility in a space of approximately 831 square feet in Terminal 1, for a five (5) year term. The Concessionaire will pay the City the greater of 10% of gross revenues or a Minimum Annual Guarantee of \$55,000.00 per year for the first two years and will pay the greater of 12% of gross revenues or a Minimum Annual Guarantee of \$65,000.00 per year for the remaining term.

**SECTION 9.** The Standard Concession Agreement with NGSI/DFSA-San Antonio Joint Venture provides for the operation of a news and gift facility and a golf shop in two spaces of approximately 935 and 905 square feet in Terminal 1, for a five (5) year term. The Concessionaire will for its news and gift shop pay the City the greater of 20% of gross revenues for the five (5) year term or a Minimum Annual Guarantee of \$120,000.00 per year for the first two years and a Minimum Annual Guarantee of \$127,000.00 per year for the remaining term. The Concessionaire will for its golf shop pay the City the greater of 10% of gross revenues for the five (5) year term or a Minimum Annual Guarantee of \$30,000.00 for the first two years and a Minimum Annual Guarantee of \$32,000.00 for the remaining term.

**SECTION 10.** The Standard Concession Agreement with Alice S. Perez d.b.a. Texas Executive, a certified DBE by the SCTRCA, provides for the operation of a specialty retail boutique, in a space of approximately 885 square feet in Terminal 1, for a five (5) year term. The Concessionaire will pay the City the greater of 10% of gross revenues or a Minimum Annual Guarantee of \$45,000.00 per year for the first two years and \$47,700.00 per year for the remaining term.

**SECTION 11.** The Standard Concession Agreement with LePetit Bistro, Inc., provides for the operation of a bistro, in a space of approximately 455 square feet in Terminal 1, for a seven (7) year term. The Concessionaire will pay the City the greater of 15% of gross revenues for years one and two, 15.5% of gross revenues for years three through five, and 16% of gross revenues for years six and seven, or a Minimum Annual Guarantee of \$90,000.00 per year for the first two years, \$100,000.00 per year for years three through five and \$105,000 per year for the remaining term.

**SECTION 12.** The Standard Concession Agreement with La Trelle's Management Corporation d.b.a. Marble Slab Creamery, provides for the operation of an ice cream and yogurt shop in a space for approximately 591 square feet in Terminal 1, for a seven (7) year term. The Concessionaire will pay the City the greater of 15% of gross revenues or a Minimum Annual Guarantee of \$75,000.00 per year for the first two years, \$79,500.00 per year for years three through five and \$84,270 per year for the remaining term.

**SECTION 13.** The Standard Concession Agreement with K&M Concessions Group, Inc. d.b.a. Popeyes Chicken & Biscuits, provides for the operation of a Popeyes restaurant, in a space of approximately 747 square feet in Terminal 1, for a seven (7) year term. The Concessionaire will pay the City the greater of 15% of gross revenues or a Minimum Annual Guarantee of \$90,000.00 per year for the first two years, \$95,400.00 per year for years three through five, and \$101,124.00 per year for the remaining term.

**SECTION 14.** The Standard Concession Agreement with Creative Host Service, Inc. d.b.a. Las Palapas provides for the operation of a full service restaurant and bar in a space of approximately 3,582 square feet in Terminal 1, for a seven (7) year term. The Concessionaire will pay the City the greater of 13.5% of gross revenues for the first two years and 14% thereafter or a Minimum Annual Guarantee of \$155,000.00 per year for the first two years and \$160,000.00 per year for years three through five and \$170,000.00 per year for the remaining term.

**SECTION 15.** The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Index Codes and Fund Numbers as necessary to carry out the purpose of this Ordinance.

**SECTION 16.** The proceeds of the Agreements shall be deposited into Fund 51-00100 entitled "AIRPORT OPERATIONS & MAINTENANCE ACCOUNT", Index Code No. 036137 entitled "GIFT & NEWS", and using Index Code No. 036012 entitled "AIRPORT-FOOD & BEVERAGE".

**SECTION 17.** This Ordinance shall be effective on and after the tenth (10<sup>th</sup>) day after passage hereof.

**PASSED AND APPROVED THIS 21<sup>ST</sup> day of November, 2002**

  
M A Y O R PRO TEM

ATTEST:   
City Clerk

APPROVED AS TO FORM:   
City Attorney