

AN ORDINANCE      **99384**

**ACCEPTING THE PROPOSAL OF CREATIVE HOST, INC.; AUTHORIZING THE EXECUTION OF A STANDARD CONCESSION AGREEMENT FOR THE OPERATION OF A FOOD AND BEVERAGE CONCESSION AT SAN ANTONIO INTERNATIONAL AIRPORT, FOR A TERM OF SEVEN (7) YEARS AND PROVIDING FOR ANNUAL PAYMENTS TO THE CITY OF SAN ANTONIO OF THE GREATER OF FIFTEEN PERCENT (15%) TO FIFTEEN AND ONE-HALF PERCENT (15.5%) OF GROSS REVENUES, OR MINIMUM ANNUAL GUARANTEE PAYMENTS BETWEEN \$75,000.00 AND \$84,270.00; AND AUTHORIZING AN ACCEPTANCE OF \$115,000.00 FROM CREATIVE HOST, INC. AS PAYMENT FOR THE EXISTING FIXED IMPROVEMENTS, EQUIPMENT, AND BUILD OUT AND THE PAYMENT OF FUNDS IN THE AMOUNT OF \$37,500.00 FROM THE CITY TO INTEGRITY BANK FOR THE EXISTING FIXED IMPROVEMENTS AND EQUIPMENT IN SPACE 170.**

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

**WHEREAS**, on or about April 30, 2004, four proposals were submitted in response to the City's request and one proposal was considered to be non-responsive; and

**WHEREAS**, the proposal of Creative Host, Inc., was judged to be acceptable and recommended by the Concession Selection Committee, as provided for in the Concession Procedures Manual and Policy Statement, approved by City Council on January 22, 2001; and

**WHEREAS**, the City now wishes to grant Creative Host, Inc., the right to operate Creative Croissant, a food and beverage concession, in Terminal One; and

**WHEREAS**, Creative Host, Inc. will pay \$115,000.00 as compensation for the existing fixed improvements, equipment, and build out in the space, from which the City will pay \$37,500.00 to Integrity Bank for the release of a UCC security filing on the fixed improvements and equipment; and

**WHEREAS**, it is now necessary to accept the proposal, execute the San Antonio International Airport Standard Concession Agreement, and authorize acceptance and payment of funds; **NOW THEREFORE:**

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

**SECTION 1.** The proposal of Creative Host, Inc., received on or about April 30, 2004, in response to the Request for Proposals for the operation of Creative Croissant, a food and beverage concession, in Terminal One in the San Antonio International Airport, is hereby selected for negotiation. A copy of the proposal is on file in the Office of the Aviation Director and its terms are incorporated herein by reference.

**SECTION 2.** In the event the San Antonio International Airport Standard Concession Agreement for operation of a food and beverage concession by Creative Host, Inc., which is attached hereto in substantial form and incorporated by reference herein, is not signed by the parties thereto, within ninety (90) days from the date of this Ordinance, then it shall become null and void, and any further signed documents must again be considered by City Council.

**SECTION 3.** If within the next ninety (90) days, The San Antonio International Airport Standard Concession Agreement is signed by Creative Host, Inc., in substantially the same form and content as the Standard Concession Agreement, the City Manager or her designee is hereby authorized to execute such Concession Agreement, without further City Council action. Should the Concessionaire sign a Concession Agreement that varies substantially from the form and content of the attached Standard Concession Agreement, then such varied Concession Agreement must be subsequently considered and approved by City Council.

**SECTION 4.** The Standard Concession Agreement with Creative Host, Inc., provides for the operation of a food and beverage concession in Terminal One for a seven (7) year term. The Concessionaire will pay the City the greater of a seventy-five thousand dollar (\$75,000.00) Minimum Annual Guarantee or fifteen percent (15%) of sales for years one (1) and two (2) of the term. The Concessionaire will pay the City the greater of a seventy-nine thousand, five hundred dollar (\$79,500.00) Minimum Annual Guarantee or fifteen and one-half percent (15.5%) for years three (3) through five (5), and an eighty-four thousand, two hundred seventy dollar (\$84,270.00) Minimum Annual Guarantee or fifteen and one-half percent (15.5%) for years six (6) and seven (7).

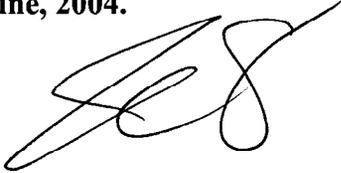
**SECTION 5.** In addition to the Total Minimum Guarantee, Creative Host, Inc. has offered one hundred fifteen thousand dollars (\$115,000.00) to the City as compensation for the existing fixed improvements, equipment, and build out in Space 170. Upon receipt of such compensation, City staff is authorized to disburse thirty-seven thousand, five hundred dollars (\$37,500.00) to Integrity Bank, 11140 State Bridge Road, Alpharetta, GA 30022 as a result of a pre-existing agreement with Integrity Bank for the release of a UCC security filing on the existing fixed improvements and equipment.

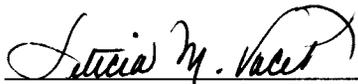
**SECTION 6.** The proceeds of the Agreement shall be deposited into Fund No. 51-001 entitled "Airports Funds," Index Code 077008 entitled "Creative Croissant"

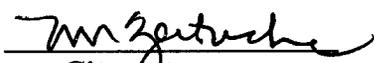
**SECTION 7.** The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific index codes and fund numbers as necessary to carry out the purpose of this Ordinance.

**SECTION 8.** This Ordinance shall be effective on and after the tenth (10<sup>th</sup>) day after passage hereof.

**PASSED AND APPROVED THIS 24th DAY OF June, 2004.**

  
M A Y O R  
for  
EDWARD D. GARZA

ATTEST:   
City Clerk

APPROVED AS TO FORM:   
for City Attorney