

**State of Texas
County of Bexar
City of San Antonio**



**Meeting Minutes
City Council B Session**

Council Briefing Room
City Hall
100 Military Plaza
San Antonio, Texas 78205

2023 – 2025 Council Members

Mayor Ron Nirenberg
Dr. Sukh Kaur, Dist. 1 | Jalen McKee-Rodriguez, Dist. 2
Phyllis Viagran, Dist. 3 | Dr. Adriana Rocha Garcia, Dist. 4
Teri Castillo, Dist. 5 | Melissa Cabello Havrda, Dist. 6
Marina Alderete Gavito, Dist. 7 | Manny Pelaez, Dist. 8
John Courage, Dist. 9 | Marc Whyte, Dist. 10

Wednesday, October 11, 2023

2:00 PM

Council Briefing Room

The City Council convened a B Session meeting in the Council Briefing Room beginning at 2:00 PM. City Clerk Debbie Racca-Sittre took the Roll Call noting a quorum with the following Council Members present:

PRESENT: 11 – Nirenberg, Kaur, McKee-Rodriguez, Viagran, Rocha Garcia, Castillo, Cabello Havrda, Alderete Gavito, Pelaez, Courage, Whyte

ABSENT: None

ITEMS

1. Briefing on the Terminal Development Program for the San Antonio International Airport and a pre-solicitation briefing on the Prime Concessionaire Packages for Terminals A and B for the San Antonio International Airport. [Jeff Coyle, Assistant City Manager; Jesus Saenz, Director, Aviation]

City Manager Erik Walsh introduced the Item and Jesus Saenz, Director of the Aviation Department who presented background and an update on the Terminal Development Program (TDP) for the San Antonio International Airport (SAIA) and prime concession packages for Terminals A & B.

Saenz announced that the non-stop international destination of Torreon, Mexico was being added to the SAIA portfolio of direct flights. Saenz reported that the SAIA ended FY 2023 with \$40.6 million in Federal grant funding.

Saenz reported that non-airline revenues such as parking, concessions and leases provided diversification of revenues, enhancement of competitiveness and financial stability for the airport and was projected to be 59% of the total Operational Budget. Saenz provided goals for the concession program which included creation of a “sense of place” showcasing local concepts, exceptional experiences and more opportunities for local small businesses. He added that local concepts were established at 25%.

Saenz stated that the three packages included two food and beverage concessionaires and one retail prime concessionaire with all including Airport Concession Disadvantaged Business Enterprise (ACDBE) participation at 26%. He added that because of Federal Aviation Administration (FAA) rules, local preference and small business programs could not be applied.

Saenz indicated that the term for each package was 10 years with a \$71 million revenue goal. Saenz listed the Evaluation Committee, scoring criteria and timeline for the solicitation which was expected to culminate in a contract by June 2024.

Saenz reported that the TDP’s Construction Manager at Risk (CMR) and Parking Optimization were currently under solicitation and he provided a timeline for those contracts.

Mayor Nirenberg asked how the City arrived at 26% ACDBE. Barbara Patton, Manager of the Aviation Department’s Disadvantaged Business Program, stated that the goals were based on availability. Mayor Nirenberg clarified that he was asking about the local concepts noting that it was important to have a strong sense of place in our airport and recommended more improvements to the customer experience using data that had been collected for current vendors.

Councilmember Rocha Garcia recommended that more local vendors participate in providing concessions and thought that the ACDBE’s goal of 26% was too low. Councilmember Rocha Garcia recommended adding murals to the airport exit to provide a sense of welcome. She asked how many shuttles were currently operating. Saenz stated that they had 12 shuttles but none of them were currently electric. Councilmember Rocha Garcia appreciated giving the vendors extra time to respond since the solicitation period was around the holidays.

Councilmember Rocha Garcia asked when the current contracts would expire. Saenz reported that the 2019 contracts expired in 2032 but the new contract terms were for 10 years, and all needed to be long-term because there was a capital cost to the vendor related to tenant finish-out. Councilmember Rocha Garcia recommended that the City maintain the ability to terminate the contract early due to non-performance.

Councilmember McKee-Rodriguez stated that usually he would only get food when he was waiting for a departing flight, or a connecting flight and it was an opportunity to make a strong first impression so he recommended a higher number of local concepts such as 60-70% rather than 25%. Councilmember McKee-Rodriguez requested representation of all areas of town in the concessions and requested the representation of African American-owned businesses in the current mix of concessionaires. Councilmember McKee-Rodriguez also recommended including an individual of Asian descent on the Evaluation Committee as well as the one African American representative.

City Manager Walsh asked Assistant City Manager Jeff Coyle to explain the 25% local concept which

was recommended by professionals to include national brands that would be recognizable by out-of-town visitors and stated that he would consider reviewing the percentage to see if it could be increased.

Councilmember Viagran stated that she was impressed with the concessionaires at the airport and the high-quality staff. She wanted the local flavor but recommended making space for local franchise owners to represent those national brands. Councilmember Viagran recommended a review of the restaurant and food court seating capacity and suggested that when there were retail stores to shop in it kept people busy instead of sitting in the concessions area.

Councilmember Courage asked if there could be three different concessionaires or if there was just going to be one to cover all three packages. Saenz stated that the goal was for three different firms. Councilmember Courage requested clarification on the acronyms used in the presentation. Rebecca Ramsey, Airport Consultant, provided explanations. Councilmember Courage asked how much money the vendors were expected to pay their workers and asked of their benefit packages. Saenz stated that the wage and benefits packages would be scored. Michael Ramsey, Workforce Development Office Director, commented that because of the extra challenges posed by working in an airport, workers were typically paid more than the rest of the market throughout the City.

Councilmember Cabello Havrda supported the goals for the concessions program but asked if there was more capacity for shopping and retail. Saenz stated that the plan was to have a diverse offering and the vendors were encouraged to propose unique boutique concepts. Councilmember Cabello Havrda asked how small businesses could form partnerships and recommended ensuring that they were provided a level playing field. Saenz responded that the solicitation timeline provided an opportunity for vendors to perform due diligence.

Councilmember Cabello Havrda acknowledged that the national brands were something people liked but recommended more local participation. She wanted to see improved utilization of spaces.

Councilmember Alderete Gavito asked if the Aviation Department had a targeted goal for Federal funding for FY 2024. Saenz stated that they were trying to obtain \$60 million but noted that some of the funding was formula. Councilmember Alderete Gavito asked how low performing concessionaires were removed. Saenz stated that they had worked to help them be successful and during the COVID-19 Pandemic they needed more help. Ramsey stated that there was a mid-term review and contractual performance obligations.

Councilmember Whyte expressed concern with a 10-year term but appreciated the reviews. Councilmember Whyte emphasized that concessionaires needed to ensure quick flow of customers and excellent customer service. Saenz stated that they were improving security to make passage faster through the use of technology so laptops could be left in the carry-on bags.

Councilmember Castillo supported the lowrider show at the airport to help provide a local culture experience and requested information on the number of local franchises in the airport. She supported more local vendors. Councilmember Castillo recommended partnerships with market square vendors as they were experts in packing many small souvenirs into a small space. Councilmember Castillo recommended development of a point system for wages, benefits, and parking for their employees and stated that vendors should pay for their background checks.

Councilmember Kaur commented that the scoring criteria was broad and asked whether there was a process for the Evaluation Committee to follow. Saenz stated that the 45 points for the proposed plan

were intended to allow the respondents to be as creative and innovative as possible.

Councilmember Kaur stressed the importance of local participation noting that in other airports she had visited, the unique culture and experiences were showcased and recommended the same for SAIA to have a San Antonio feel. Additionally, Councilmember Kaur suggested that healthy food options be included and mentioned the need to consider migrants traveling from the Migrant Resource Center through our airport.

Councilmember Alderete Gavito asked if the RFP would direct vendors what kind of food to bring in. Rebecca Ramsey, Executive Director of RR Ramsey Research, stated that an employee/passenger survey was performed asking those surveyed what types of food they would like to see at the Airport and the results were incorporated into the RFP.

Councilmember Viagran suggested encouraging respondents to offer healthy options.

Councilmember Pelaez stated that his priority was that the airport had a local identity and when people arrived at the airport in San Antonio, they felt it was a special place. He did not support adding more national chains. Councilmember Pelaez clarified that while the local vendors provided their products, food and branding, all staff were employed by the concessionaire.

Mayor Nirenberg recommended that local franchisees of national brands not be counted as “local concepts.”

EXECUTIVE SESSION

Executive Session was not held.

ADJOURNMENT

There being no further discussion, the meeting was adjourned at 12:13 p.m.

Approved

**Ron Nirenberg
Mayor**

**Debbie Racca-Sittre
City Clerk**