

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



**Meeting Minutes
City Council Special Meeting**

Municipal Plaza Building
114 W. Commerce Street
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

Thursday, November 7, 2024

11:00 AM

City Council Chambers

The City Council convened a special meeting in the Norma S. Rodriguez Council Chamber in the Municipal Plaza Building beginning at 11:05 AM. 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; post-solicitation briefings on the Concessions Packages; a post-solicitation briefing on Security Services; and a pre-solicitation briefing on Design Services for the Airfield Design Services for Airfield Safety Enhancements & Improvement Program for the San Antonio International Airport. [Jeff Coyle, Assistant City Manager; Jesus Saenz, Director, Aviation]

City Manager Erik Walsh introduced the Item and Assistant City Manager Jeff Coyle who

announced new nonstop flights to Boston, Monterrey, Guadalajara, and were awaiting the FAA response to the application for a direct flight to Reagan National Airport in Washington D.C. Coyle reported that the San Antonio International Airport (SAT) had increased its total seats 6.4% year over year and had more seats going to Mexico than any other medium hub airport. Coyle announced that Aviation Director Jesus Saenz had been named Airport Revenue News' Director of the Year for a Medium Hub Airport.

Saenz reported that the Terminal Development Program (TDP) groundbreaking was planned in December 2024 for the new terminal as the FAA issued a finding of no significant impact on October 28, 2024 for the National Environmental Policy Act. He noted that construction began on the Terminal A Ground Load Facility (GLF) with an October 2025 completion date. Saenz stated that additionally, an industry day was held earlier this month with 66 firms attending for the Request for Proposals (RFP) that would be released on November 8, 2024, to build a new parking structure and ground transportation center.

Saenz provided an overview of the RFP for concession packages including Food & Beverage (F&B) Packages 1 and 2, Retail Package 3 for locations within Terminals A and B, both pre-and post-Transportation Security Administration (TSA) screening. Saenz outlined the scoring criteria for the concession packages which included a requirement to provide at least 40% local concepts to showcase San Antonio as a premier destination with proven experience serving visitors. He indicated that the contracts should optimize non-airline revenue opportunities and were required to meet or exceed Airport Concessions Disadvantaged Business Enterprise (ACDBE).

Saenz stated that the timeline for the F&B RFP began with a pre-solicitation workshop on October 11, 2023, and the release of the solicitation later that month. He reported that three firms submitted proposals on March 8, 2024, and the diverse expert evaluation committee met in May 2024 and two of the firms were interviewed in June 2024. Saenz listed the final scoring matrix and recommended Host True Flavors SAT FB LLC (Host) a joint venture with 35% local ownership to receive Package #2 noting that the respondent achieved a 70% local concept and was led by local Chef Johnny Hernandez. Saenz introduced the Host team and stated that the contract would provide a minimum annual guarantee of \$2,004,452 with \$24.8 million projected revenues over the 10-year term. He added that staff recommended rebidding Package #1 which was 13,000 square feet in both Terminals A and B since the City self-imposed a limit that one firm would not receive both packages.

Saenz stated that the timeline for the Retail RFP began with a pre-solicitation workshop on October 11, 2023, and the release of the solicitation later that month. He noted that three firms submitted proposals on March 8, 2024, and the diverse expert evaluation committee met in May 2024 and interviewed the firms in June 2024. Saenz listed the final scoring matrix and recommended awarding the 8,217 square foot Retail Package 3 to Paradies Lagardère which included a 26% local partnership with Carino Cortez of Bold Bites and other retail establishments that would bring a minimum annual revenue guarantee of \$2,671,178 with \$29.6 million in projected revenues over the 10-year term.

Saenz provided an overview of the rebid solicitation that would begin on January 1, 2025, and culminate in a recommendation to City Council by August 2025. He indicated that the RFP and scoring would be the same as the current solicitation.

DISCUSSION:

Mayor Nirenberg noted that the Item was for briefing only but he was very impressed with the changes at the Airport through the TDP along with the excellent local concessions.

Councilmember Cabello Havrda congratulated Saenz on his award. She commented on the high-quality local concepts included in the proposed packages but recommended moving forward to award Host True Flavors SAT FB LLC with F&B Package #1 instead of rebidding. Segovia explained there was no expectation for a second RFP but there was an expectation that the City would receive at least two high ranked F&B respondents, however, since that did not happen, it would be at the discretion of the City Council to award both F&B packages to one firm. Councilmember Cabello Havrda expressed concern that another solicitation would take too much time simply to result in the same outcomes.

Councilmember Kaur spoke in support of the recommended firms as they had presence in Council District 1 and lauded the 70% local concepts as these were ways to be the true representation of the Creative City of Gastronomy and the Culture. She agreed that there was no need to re-bid package #1 since the best team was already under negotiation.

Councilmember Courage congratulated both recommended teams as the airport was a regional asset and deserved to include a comfortable place to eat and shop. Councilmember Courage noted the minimum guarantee for package #2 and asked Saenz if he was able to taste the food. Saenz stated that the proposed team had excellent food. Councilmember Courage asked how the minimum guarantee for retail package #3 compared to previous contract revenues. Saenz stated that this was an average 5-10% increase and they could overperform, this was just the minimum.

Councilmember Courage asked why staff was recommending rebidding Package #1. Saenz stated that in the spirit of competition, the City self-imposed the limitation that one respondent could not receive both F&B packages, however, each of the respondents proposed on both packages and provided their preference. Councilmember Courage asked if each bidder provided concepts and asked of the minimum guarantee. Michael Garnier stated that Package #1 was estimated at \$1.1 million annually. Package 2 included seven locations and Package 1 included eight locations as they were smaller with potentially different offerings. Councilmember Courage suggested that this could be a good reason to re-bid to bring in more revenue.

Councilmember Alderete Gavito congratulated the airport on their accomplishments. She loved that the restaurant and retail proposals exceeded the local participation and provided a real San Antonio feel. Councilmember Alderete Gavito asked how long an RFP would take. Saenz stated that it would take 5-8 months to put out a new solicitation for Package #1. Councilmember Alderete Gavito supported the staff recommendation to rebid.

Councilmember Rocha Garcia noted that San Antonio was a UNESCO Creative City of Gastronomy with an incredible food scene and lauded the proposal by Host True Flavors for showcasing the local restaurant scene. She also supported the excellent local participation in the Retail package and noted this was another way to introduce San Antonio's talent and authenticity to visitors. She supported expediting the bidding process for Package #1.

Councilmember Pelaez noted that the airport experience used to be stressful for travelers as it was not very people-focused, the food was unhealthy and overpriced, so he was pleased that the proposals included local options from renowned chefs who had experience delivering excellent food and warm service even outside of their restaurants. Councilmember Pelaez suggested that this was an opportunity to showcase San Antonio's authenticity. He asked Paradies Lagardère and Host if the firms would be prepared to submit a proposal on F&B Package #1. Carino Cortez stated that they did not propose F&B because it did not fiscally check for them at that time but would bid on another RFP. Host stated that the revenue would be less on Package #1 due to traffic leaving Terminal B in the future for the new Terminal C so that is why Host proposed less revenue.

Councilmember Viagran noted that the RFP, if done right, would take eight months and needed more input from Visit San Antonio and she did not think the City should spend time and money on an RFP when they already had a good proposal. She recommended that the City Manager negotiate with Host on F&B Package #1 and if the numbers did not work, then solicit a new RFP but she did not want to rush the process. Councilmember Viagran appreciated that both respondents offered an authentic San Antonio experience.

Councilmember McKee-Rodriguez recognized that creating and responding to a solicitation took time and money. He wanted to be fair and follow best practices so he did not support a hasty timeline in a new RFP but if we were going to end with the same result, he did not believe in releasing a solicitation for appearance's sake.

Councilmember Castillo congratulated Saenz on his achievements and recognized the improvements made to SAT under his leadership. She was excited to see the local chefs and restaurants included in F&B Package 2. She supported the staff's recommendation.

Councilmember Whyte thanked Saenz and his team as well as those who submitted proposals.

Councilmember Courage noted that the two F&B packages had similar square footage and spaces but asked why the offer for Package #1 provided a lower guaranteed minimum return than Package #2. Saenz stated that revenue would vary based on the firm's proposals for the specific locations.

Mayor Nirenberg supported the staff's recommendations for Packages 2 and 3 and left it up to the City Manager to provide a recommendation for Package #1 that would provide the best outcome for the City. Mayor Nirenberg noted that the Item was for briefing only so no action was taken.

EXECUTIVE SESSION

Executive Session was not held.

ADJOURNMENT

There being no further discussion, the meeting was adjourned at 12:37 p.m.

Approved

**Ron Nirenberg
Mayor**

**Debbie Racca-Sittre
City Clerk**