



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 1

Agenda Date: October 11, 2023

In Control: City Council B Session

DEPARTMENT: Aviation Department

DEPARTMENT HEAD: Jesus H. Saenz Jr.

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Briefing on the Terminal Development Program for the San Antonio International Airport

SUMMARY:

The Aviation Department will brief City Council with an update on the Terminal Development Program for the San Antonio International Airport. This briefing will include the pre-solicitation briefing on the Prime Concessionaire Packages for Terminals A and B in the San Antonio International Airport.

BACKGROUND INFORMATION:

On November 18, 2021, City Council approved the Strategic Development Plan (SDP), a Master Planning process required by the Federal Aviation Administration to take place every eight to 10 years. This process is a comprehensive, long-range study of every physical aspect of an airport to ensure it meets projected demand and serves its designated role within the national airport system.

The SDP for the San Antonio International Airport identified airfield, terminal, roadway and supporting infrastructure improvements to support the economic growth of our region. The SDP developed into the Terminal Development Program (TDP), which is targeting completion of a new terminal and its associated enabling projects by the end of the second quarter of 2028. In the more

18 months since the presentation of the TDP, the Aviation Department has briefed City Council on the Terminal Development Program four additional times to provide updates on the program including unveiling the design renderings, grant submittals for FY 2022 Federal Aviation Administration (FAA) Bipartisan Infrastructure Law (BIL) programs, and pre- and post-solicitation briefings for high-profile contracts.

ISSUE:

This briefing includes an update on the FY 2023 FAA BIL grants program and an update on the TDP schedule, as well as a pre-solicitation briefing related to the San Antonio Airport System.

Prime Concessionaire Packages for Terminals A and B in the San Antonio International Airport

The City is issuing a solicitation for three packages for prime concessionaires for the San Antonio International Airport: two Food and Beverage concessions packages that includes locations in both Terminals A and B and one Retail concessions package that will also include locations in both terminals. The City seeks proposals with a mix of national and local concepts that is reflexive of San Antonio's rich and varied culinary offerings. Using a Prime Concessionaire model for each package, the City intends to award two or three respondents with the rights to over 28,200 square feet total in all three packages to lease, operate, manage, and/or sublease. These three packages represent 62% of new and current concession space; the remaining 38% of space is under contract with Paradies Lagardère until 2033 or the Duty Free concessionaire which will be solicited with other concession packages with the new terminal.

Revenues from these contracts will be deposited into the Operating and Maintenance Fund to support airport system operations. Importantly, as one of the two largest sources of non-airline revenue, along with parking operations, concessions revenue helps drive down the cost for airlines of doing business at San Antonio International Airport, keeping the airport competitive for new and additional air service.

The pre-solicitation briefing will cover the estimated contract value, scope of work, term of the contract, proposed scoring criteria, evaluation committee members, project considerations and program requirements.

ALTERNATIVES:

This item is for briefing purposes only.

FISCAL IMPACT:

This item is for briefing purposes only.

RECOMMENDATION:

This item is for briefing purposes only.