

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	37666	Agenda Number	12.
Meeting Date:	11/20/2014	Department:	Aviation	

Subject

Authorize negotiation and execution of concession lease agreements with LS Travel Retail North America and its joint ventures to operate retail and food and beverage concessions at Austin-Bergstrom International Airport for a term not to exceed ten years from date of beneficial occupancy.

Amount and Source of Funding

This is a revenue generating lease.

Fiscal Note

There is no unanticipated fiscal note. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	
For More Information:	Stephanie Tucker, Airport Properties Manager, 512-530-7507.
Boards and Commission Action:	November 12, 2014 – Recommended by the Austin Airport Advisory Commission on a vote of 6-0-1 with Commissioner McDaniel absent, with amendments to include compliance with the City of Austin's living wage policies, the City's Universal Recycling Ordinance, and Austin Bergstrom International Airport waste diversion goals throughout the term of the agreement.
Related Items:	
ACBDE/DBE:	This contract extension will be awarded in compliance with 49 CFR Part 23, Airport Concession Disadvantage Business Enterprise Program (ACDBE) by meeting the ACDBE Goal of 14%.

Additional Backup Information

LS Travel Retail North America (LS Travel) and its joint ventures currently operate retail and food and beverage concessions in the Barbara Jordan Terminal at the Austin-Bergstrom International Airport (Airport) including Ruta Maya, Thundercloud Subs, and Austin Article. LS Travel's concession agreements will be expiring in the coming years beginning in 2015. These agreements are revenue generating. In order to provide stability and continuity of retail and food and beverage services to the public while the Airport undergoes construction projects including expansion of the Airport terminal's east concourse, the Airport seeks authority to negotiate with LS Travel in order for LS Travel to make necessary renovations and improvements to some of its retail shops and restaurants while providing the opportunity for LS Travel to offer alternative dining options and retail for the public. The Airport will also be seeking higher financial and performance measures from LS Travel under the concession agreements.

In anticipation of the Airport's East Infill and Terminal expansion projects, the Airport will be soliciting for additional retail and food and beverage concessions from other companies to provide additional goods and services in new locations inside the Airport terminal.

Airport concessions are subject to the Federal Airport Concession Disadvantaged Business Enterprise (ACDBE) regulations (49 CFR Part 23), and the federally approved City of Austin ACDBE plan. LS Travel is in compliance with the Airport Concession DBE plan and meets the goals under that plan for retail and food and beverage concessions.