

Austin City Council Meeting October 13, 2020

Jacqueline Yaft, Chief Executive Officer

Mookie Patel, Chief Finance & Revenue Officer



Austin-Bergstrom
International Airport



Agenda



- COVID-19 economic impact to AUS
- AUS concessionaires
- Council Resolution Update
- Partnership between AUS & our concessionaires



AUS Economic Impact



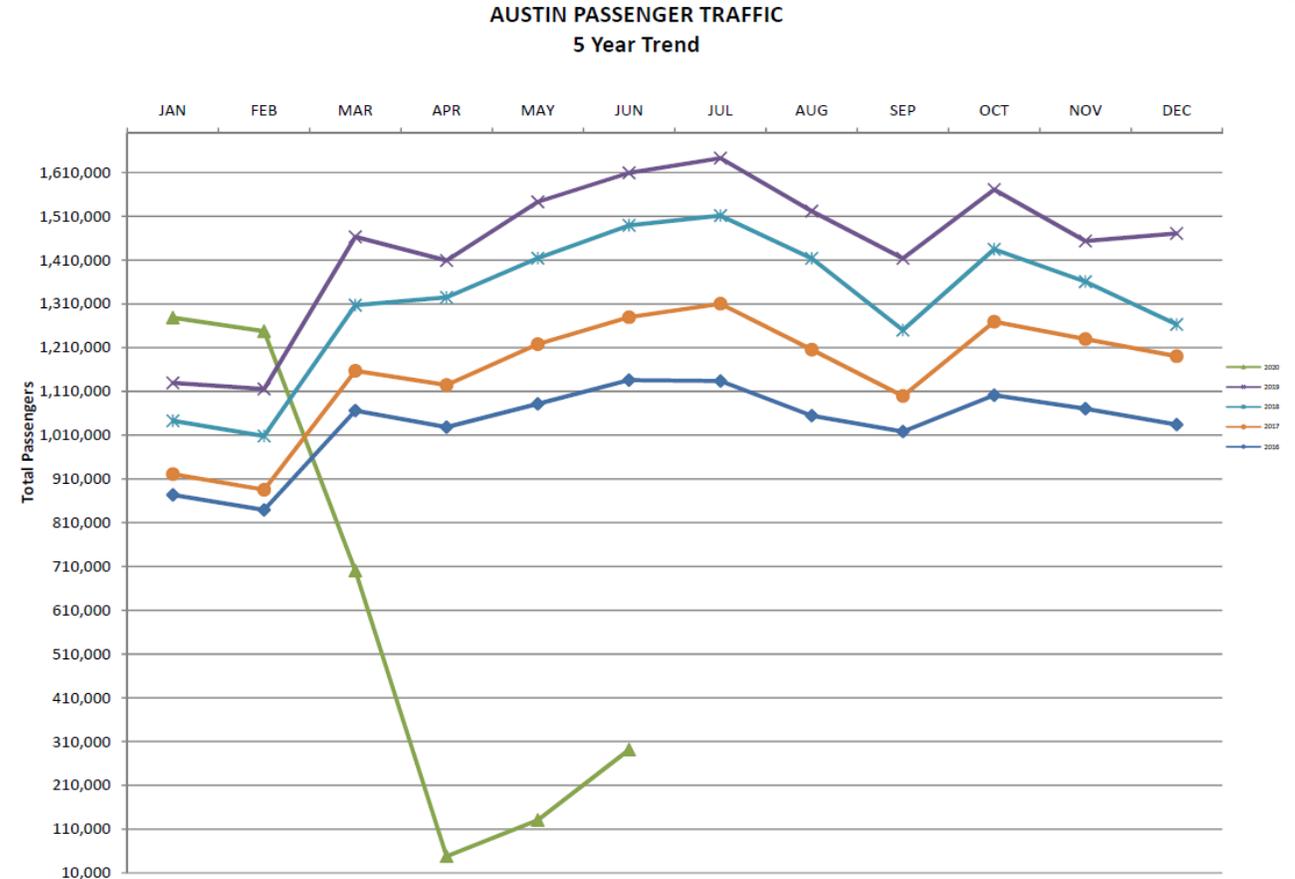
Austin-Bergstrom
International Airport



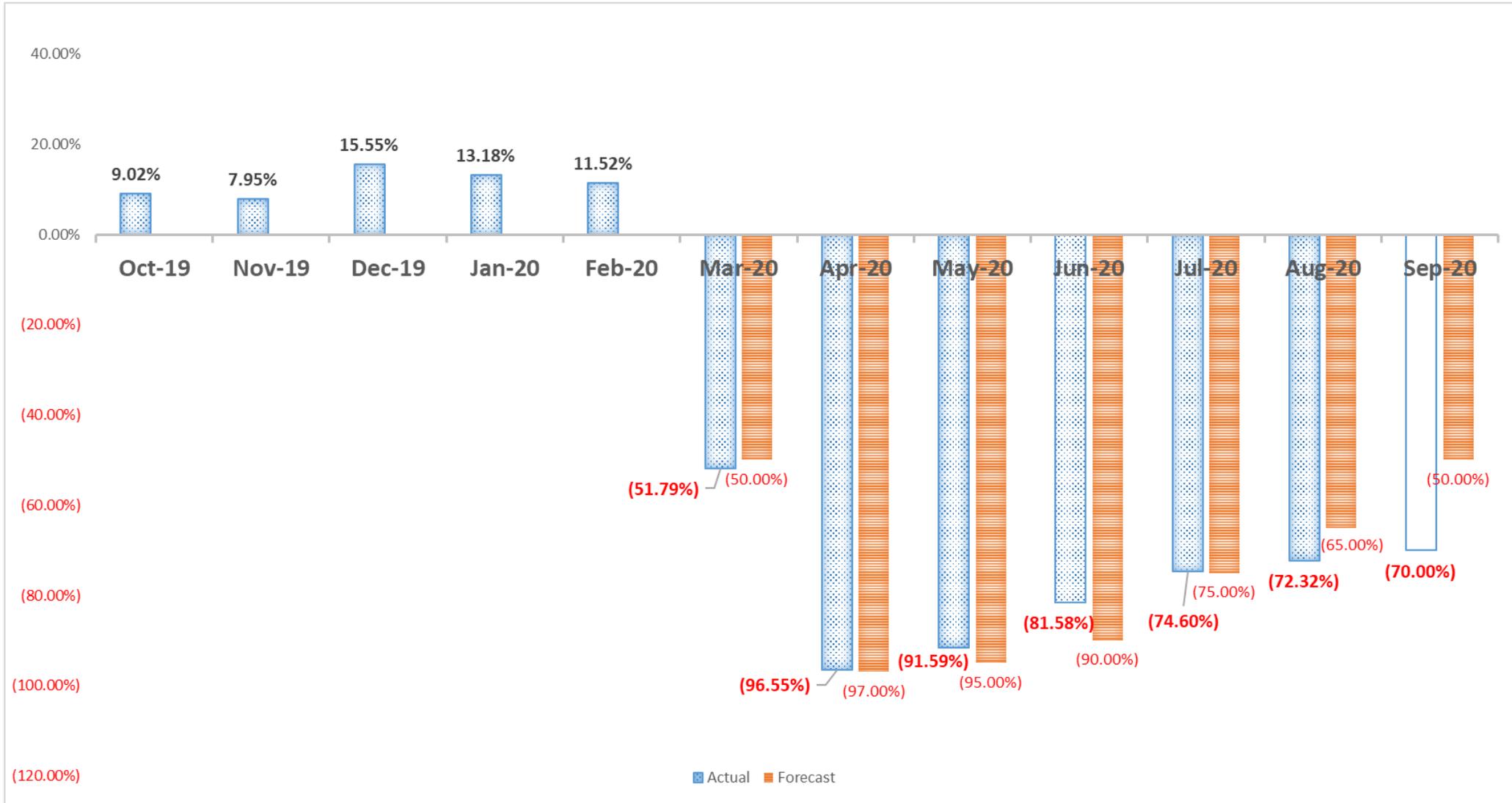
AUS Economic Impact



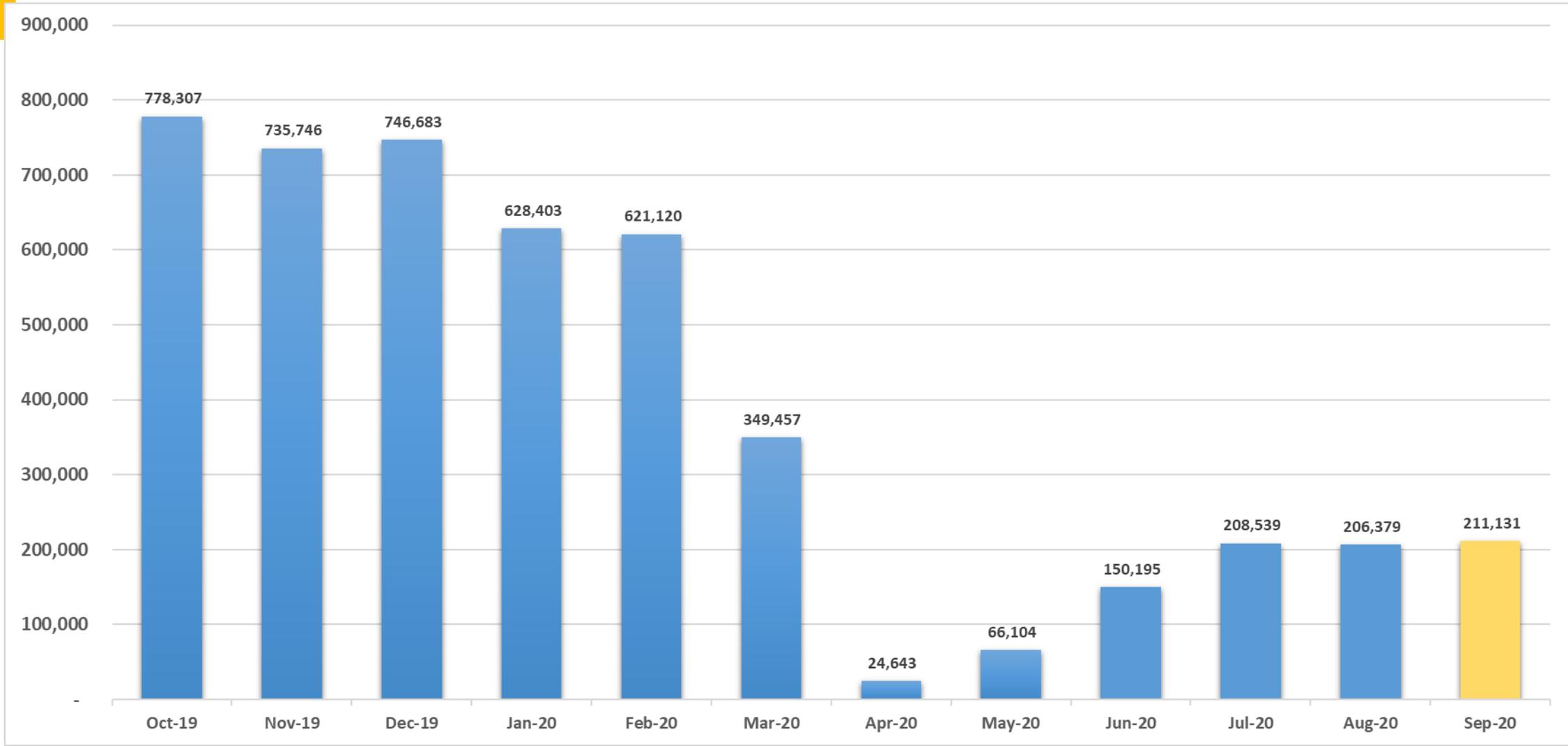
- AUS is its own enterprise department, generating revenue through airline passengers, parking activity, ground rents, concession fees, and more
- AUS revenue relies on aviation activity, passenger traffic, and financial health of airlines
- In response to significant passenger decline, measures to mitigate financial losses include:
 - Reduced operating expenses to get to “survival budget”
 - Only utilizing contracts that are mission critical



FY20 Passenger Trend



FY20 Passenger Trend



Austin-Bergstrom
International Airport

AUS Concessions Overview

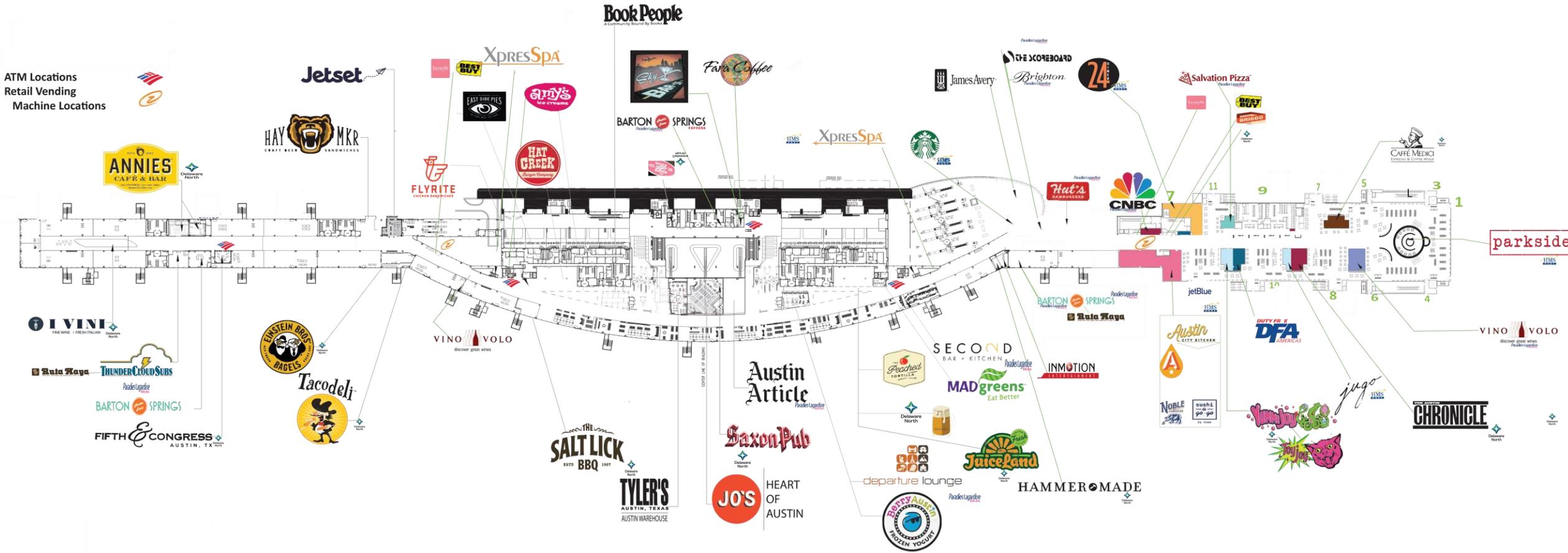


Austin-Bergstrom
International Airport

“Provide passengers with an authentic food, beverage, and travel retail experience that draws flavor from our diverse community to drive an original experience.”



AUS Concession Map



HMS Host



- ACDBE Partner: D.C. Garrett Group, LLC
- Venues
 - Parkside
 - 24 Diner
 - Jugo
 - Sushi-a-Go-Go
 - Hardee's Fresh Foods
 - Austin Beer Drop
 - Zocalo Cafe
 - Noble Sandwich Co.
 - Starbucks (Concourse Level)
 - Starbucks (Baggage Level)



Delaware North



- ACDBE Partners: M. Scott Roberts, Love Nance, Juan Portillo and Robena Jackson
- Venues
 - Hippie's & Hops
 - Taco Deli
 - Briggo Coffee Kiosk
 - Haymaker's
 - Saxon Pub
 - Earl Campbell's Tacos
 - Jo's Coffee
 - Salt Lick BBQ
 - Jet Set Market
 - Austin Warehouse & Tyler's
 - Book People
 - 5th and Congress
 - Amy's Ice Cream



Paradies Lagardere



- ACDBE Partners: Rosalind M. Oliphant/Folktales Book Company, Marc A. Rodriguez, Prevost Consulting Group
- Venues
 - 2nd Bar & Kitchen
 - Austin Article
 - Barton Springs (East, West, Express)
 - Departure Lounge
 - CNBC
 - Brighton Collectibles
 - Berry Austin
 - Mad Greens
 - Ruta Maya Coffee
 - Salvation Pizza
 - Scoreboard
 - Thundercloud Subs
 - Vino Volo



Austin-Bergstrom
International Airport

AUS Concessions Awards



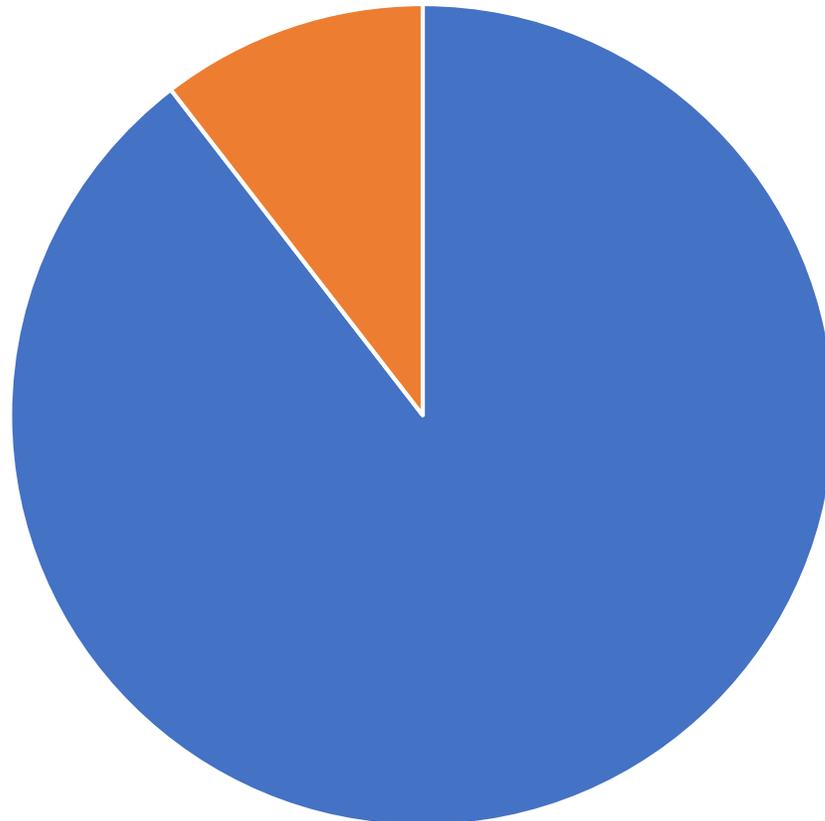
- **Airport Experience News**
 - **2018**
 - Airport with the Best Customer Service
 - Airport with the Best Program Design
 - **2019**
 - Salt Lick BBQ: Best Local-Inspired Store
 - **2020**
 - Airport with the Best Program Design
- **USA Today Reader's Choice**
 - AUS Vino Volo – Best Airport Bar/Restaurant & Wait Staff, 2017



AUS Ecosystem



AUS Badged Employees



■ Total employees ■ Concession employees

- 30,000 to 8,000 daily PAX – 74% reduction
- 6,000 to 4,700 badged employees – 21% reduction

Concession employees comprise about 11% of those

- According to a 2018 TxDOT study, AUS employs 74,000 direct and indirect jobs

Council Resolution Update



- In response to Austin City Council Resolution #20200521-094, AUS was asked to:
 - To convene an Airport Concession Workers Stakeholder Working Group
 - To create and/or develop recommendations for a Right to Return to Work Program
 - To explore options to create federal and bond-compliant incentives to encourage concessionaires to re-hire employees
- The Airport Concession Workers Stakeholder Working Group outcome:
 - All airport concessionaires agreed to administratively implement programs to rehire their furloughed workers and report to AUS
 - Delaware North Company complies through a collective bargaining agreement

Concessionaire Relief Efforts



- AUS initially estimated \$9.5 million in financial relief through rent deferrals, following FAA-mandated nondiscriminatory approach to providing relief
 - Deferred concession fees April, May and June 2020 - \$4.5 million
 - Provided actual \$8.6 million dollars in rent abatement
 - Waiving administrative fees through the end of the year
- Created opportunities for concessionaires to collaborate with Small & Minority Business Resources Department, the Economic Development Department, and the Law Department to assist with:
 - Payroll Protection Program
 - Financial assistance programs as part of the CARES Act
 - Employee Retention Credit
 - SBA Loans

AUS/Concessionaire Partnership



Austin-Bergstrom
International Airport



Concession Closures



- Majority of locations were closed in April, when passengers were down 96.6% YOY
- AUS partnered with concessionaires to allow store closures based on passenger traffic and other operational considerations
 - Ability to close locations on a case-by-case basis
- Individual locations began reopening in May, some fluctuating with passenger traffic increases or decreases

Additional Support



- Robust marketing campaign at no additional cost to concessionaires
 - Ability to view options and order directly through website
 - Social and traditional media
 - Branding campaign throughout AUS, to include signage, vinyl wraps, and more



Questions?

