

# Concession Briefing December 8, 2020

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Austin-Bergstrom  
International Airport



# AUS Economic Impact



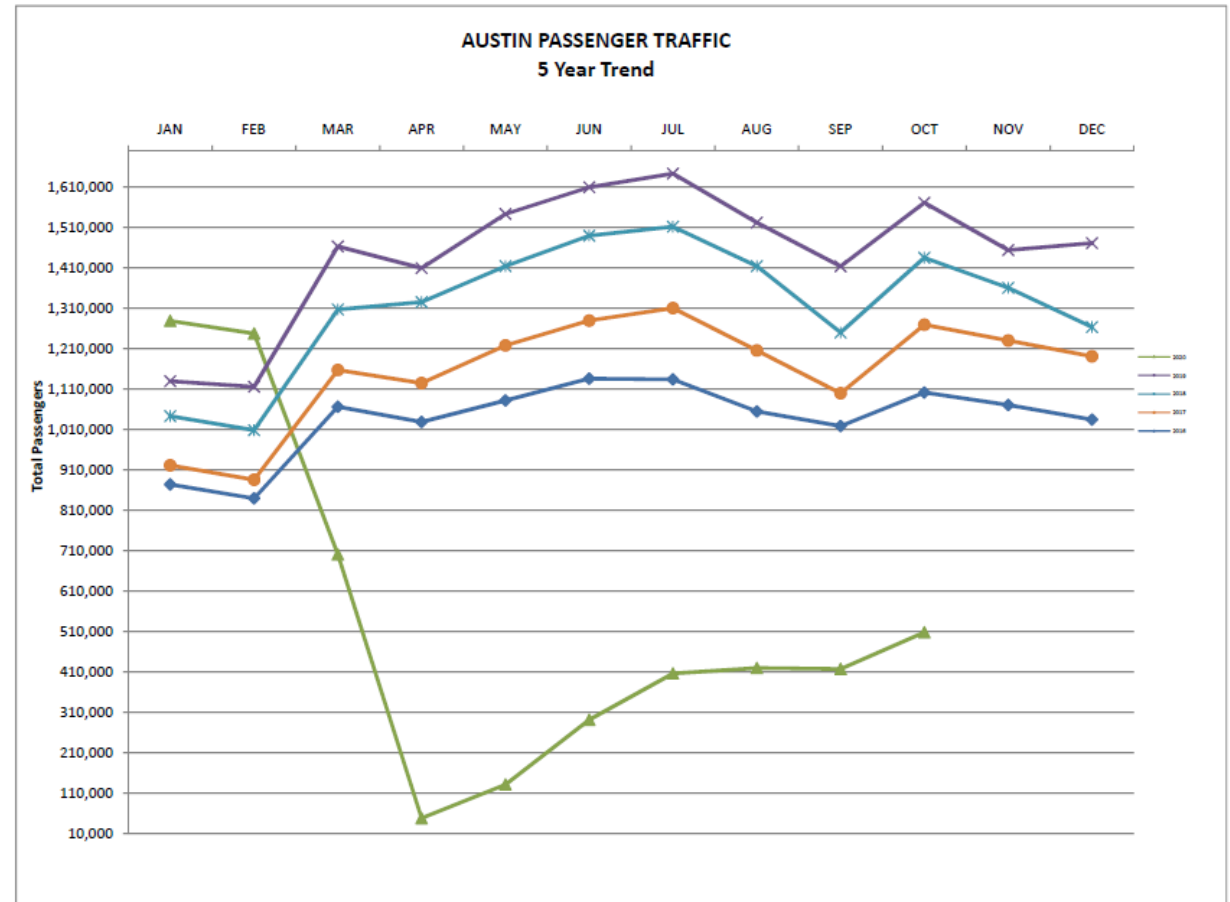
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# AUS Economic Impact



- 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



# AUS Concessions Overview

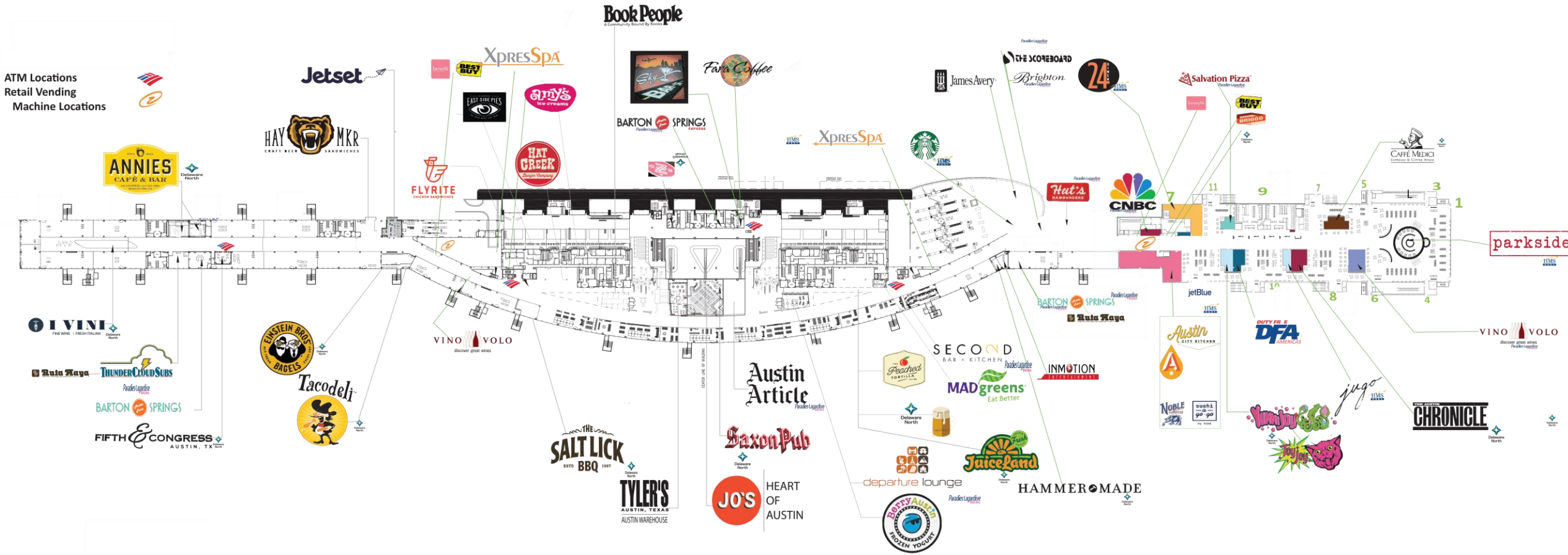
*“Provide passengers with an authentic food, beverage, and travel retail experience that draws flavor from our diverse community to drive an original experience.”*



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# AUS Concession Map



# Concession Facts

- Total SF = 56,892
- Retail Vs. Food and Beverage
  - 41,341 SF of Food/Beverage
    - SF per Enplanement = 0.005
  - 15,551 SF of Retail
    - SF per Enplanement = 0.002

# HMS Host



- ACDBE Partner: D.C. Garrett Group, LLC
- Venues
  - Parkside
  - 24 Diner
  - Jugo
  - Sushi-a-Go-Go
  - Hardie'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
  - Hippies & Hops
  - Tacodeli
  - Briggo Coffee Kiosk
  - Haymaker
  - Saxon Pub
  - Earl Campbell's Tacos
  - Jo's Coffee
  - Salt Lick BBQ
  - JetSet 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



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# AUS Concessions Awards



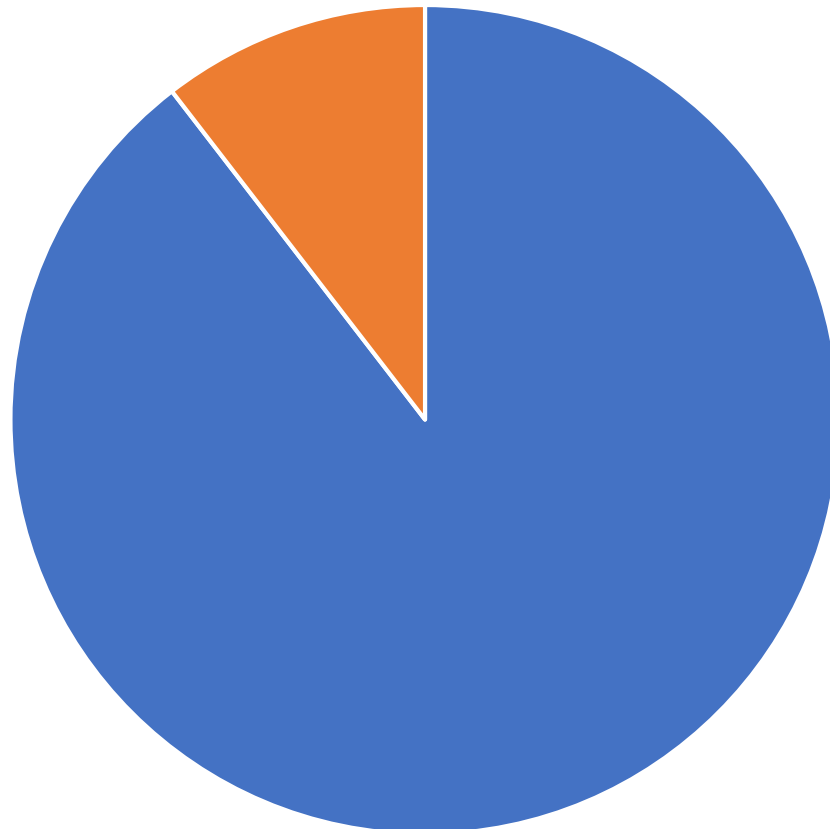
- **Airport Experience News**
  - **2018**
    - Airport with the Best Customer Service
    - Airport with the Best Program Design
  - **2019**
    - Salt Lick BBQ: Best Local-Inspired Store
  - **2020**
    - Airport with the Best Program Design
- **USA Today Reader's Choice**
  - AUS Vino Volo – Best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

# Concessionaire Relief Efforts



- Provided \$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

# Performance – HMS Host

- **Lease Term: 10 Years**

- 12/5/2019 – 12/5/2029 (2<sup>nd</sup> Contract Year)

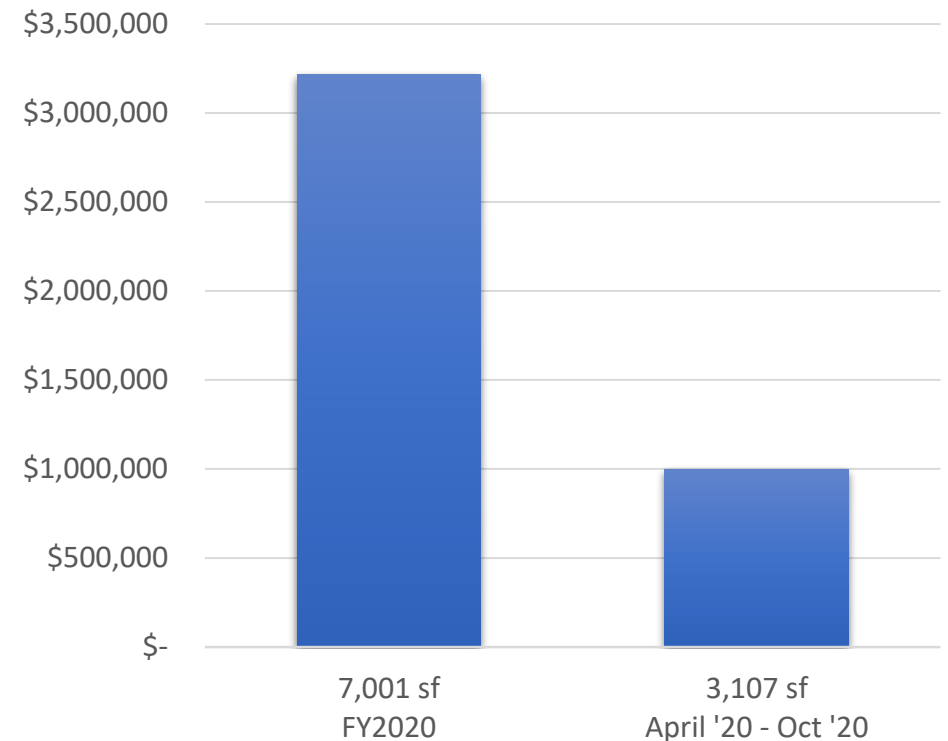
- **FY2020: 7,001 SF = \$3,214,022.08**

- Total Sales per SF= \$459.08
- Total Sales per Enplanement= \$0.68

- **COVID Impact (7 mos., April'20 – Oct'20): 3,107 SF = \$995,406.46**

- Sales per SF= \$320.38
- Sales per Enplanement= \$0.89

Gross Sales



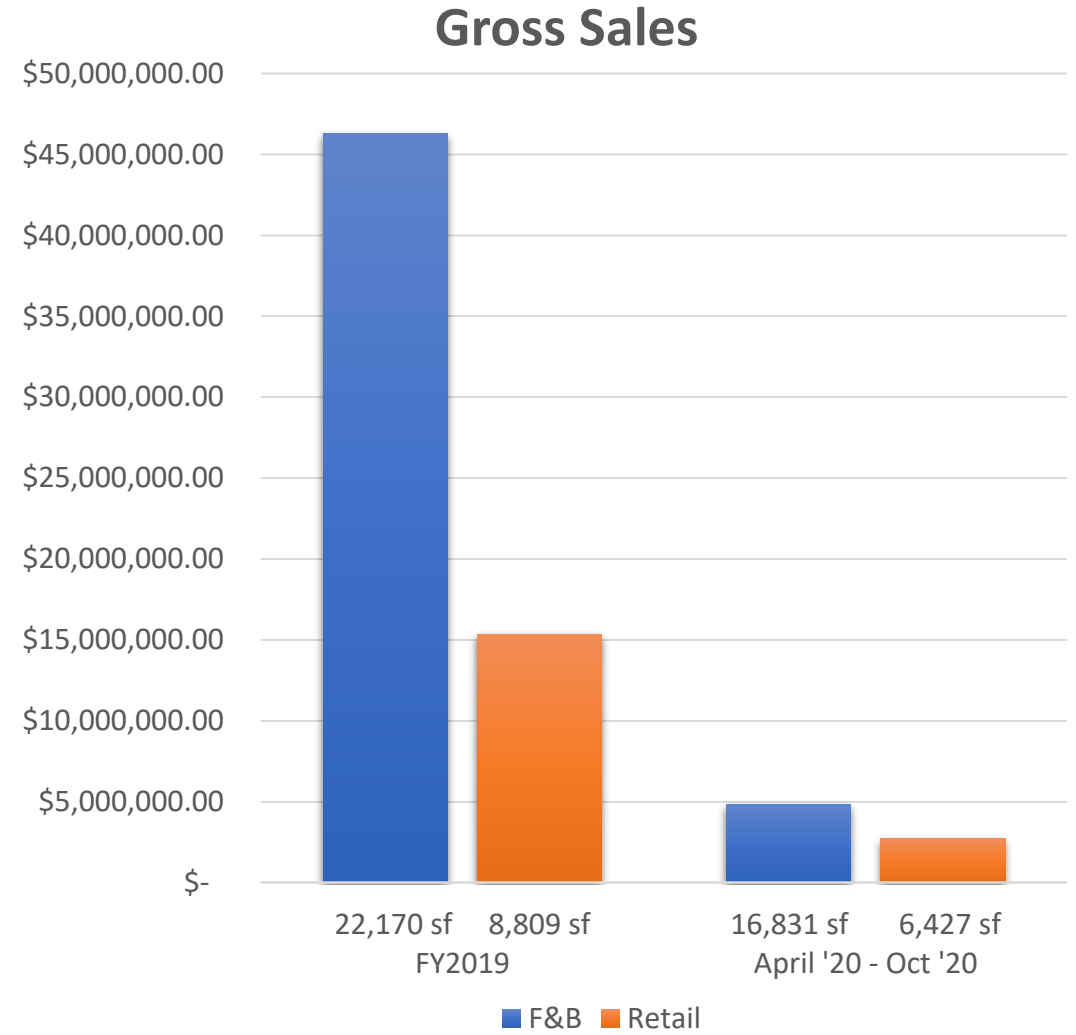
F&B



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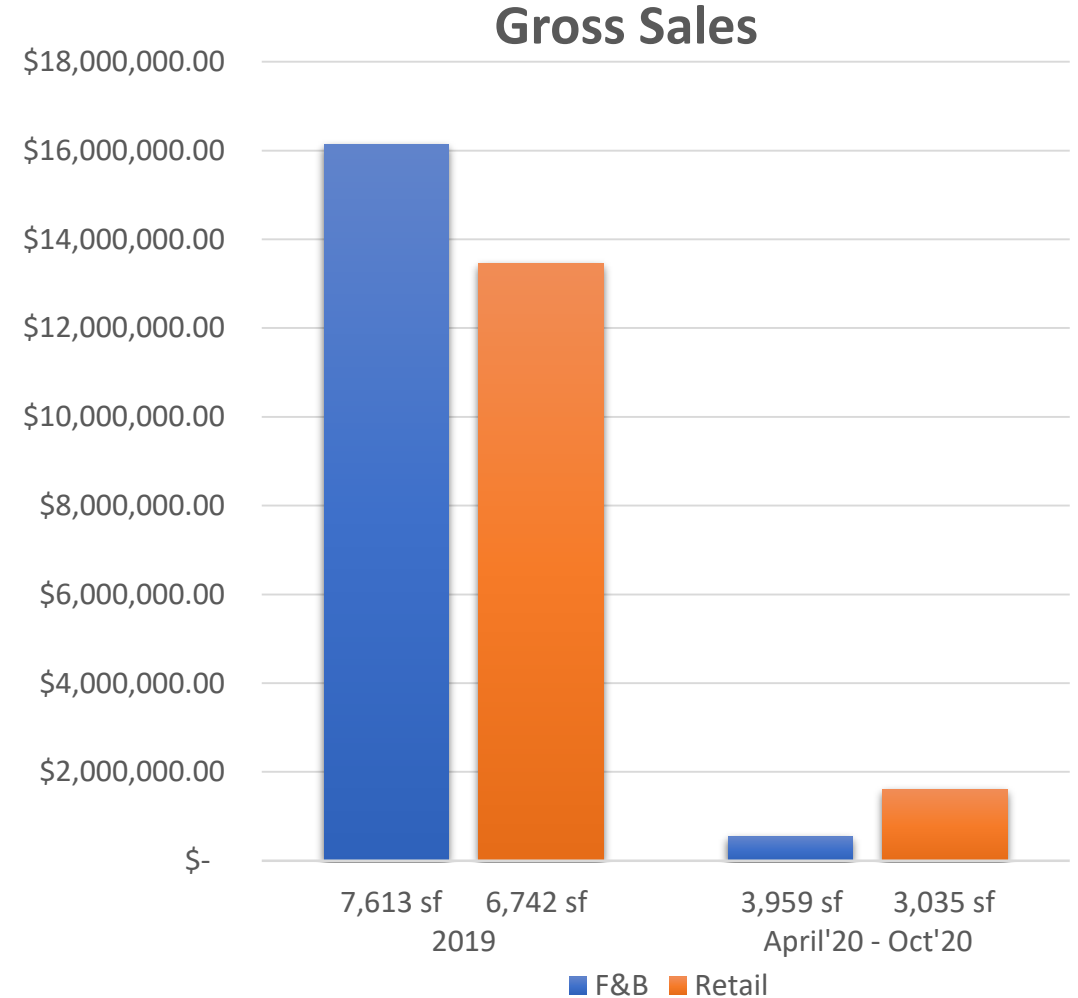
# Performance – Delaware North

- **Lease Terms: 10 Years**
- **Three Separate Agreements**
  - 12/2/2017 – 11/30/2027 (3<sup>rd</sup> Contract Year)
  - 5/1/2018 – 4/30/2028 (2<sup>nd</sup> Contract Year)
  - 5/1/2018 – 4/30/2028 (2<sup>nd</sup> Contract Year)
- **FY2019: 30,979 SF = \$61,590,091.77**  
**Sales per SF = \$1,988.12      Sales per Enplanement = \$7.28**
  - 22,170 SF of Food/Beverage = \$46,268,967.40
    - Sales per SF= \$2,087.01
    - Sales per Enplanement= \$5.47
  - 8,809 SF of Retail = \$15,321,124.37
    - Sales per SF= \$1,739.26
    - Sales per Enplanement= \$1.81
- **COVID Impact (7 mos., April '20 – Oct '20): 23,258 SF = \$7,517,759.98**  
**Sales per SF = \$323.23      Sales per Enplanement = \$6.74**
  - 16,831 SF of Food/Beverage = \$4,809,729.88
    - Sales per SF= \$285.77
    - Sales per Enplanement= \$4.31
  - 6,427 SF of Retail = \$2,708,030.10
    - Sales per SF= \$421.35
    - Sales per Enplanement= \$2.43



# Performance – Paradies Lagardere

- **Lease Term: 10 Years**
- **Two Separate Agreements**
  - 12/1/2017 – 11/30/2027 (3<sup>rd</sup> Contract Year)
  - 12/12/2019 – 12/11/2029 (2<sup>nd</sup> Contract Year)
- **FY2019: 14,355 SF = \$29,574,410.41**  
**Sales per SF = \$2,060.22      Sales per Enplanement = \$3.49**
  - 7,613 SF of Food/Beverage = \$16,126,835.60
    - Sales per SF= \$2,118.33
    - Sales per Enplanement= \$1.91
  - 6,742 SF of Retail = \$13,447,574.81
    - Sales per SF= \$1,994.60
    - Sales per Enplanement= \$1.59
- **COVID Impact (7 mos., April'20 – Oct'20): 6,994 SF = \$2,150,960.86**  
**Sales per SF = \$307.54      Sales per Enplanement = \$1.93**
  - 3,959 SF of Food/Beverage = \$540,923.88
    - Sales per SF= \$136.63
    - Sales per Enplanement= \$0.48
  - 3,035 SF of Retail = \$1,610,036.98
    - Sales per SF= \$530.49
    - Sales per Enplanement= \$1.44



# 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





# Current Operations -Closed

## CLOSURES

- **Host**

- Parkside
- Jugo
- Austin City Kitchen  
(Sushi-a-Go-Go, Austin BeerDrop, Hardies Fresh Foods, Zocalo, Noble Sandwich)
- Starbucks – Baggage Level

- **DNC**

- Cafe Medici
- Toy Joy/Yummy Joy
- Hammer Made
- Peached Tortilla
- Hat Creek Burgers
- East Side Pies
- Flyrite Chicken
- Einstein Bros. Bagels
- 5<sup>th</sup> & Congress
- IVini

- **Paradies Lagardere**

- Salvation Pizza
- Hut's Hamburgers
- Brighton Collectibles
- Barton Springs WEST
- Ruta Maya Coffee/Thundercloud
- Scoreboard
- Mad Greens
- Berry Austin
- Barton Springs Express
- EJE Duty Free
- CNBC



# Current Operations -Open

## OPERATIONAL

- **Host**

- Starbucks – Checkpoint 1
- 24 Diner

- **Paradies Lagardere**

- Barton Springs/Ruta Maya Coffee – East
- 2<sup>nd</sup> Bar & Kitchen
- Departure Lounge
- Austin Article
- Fara Café
- Fara Sky Bar

- **DNC**

- Austin Chronicle
- Briggo Coffee
- Juiceland
- Market/Coffee Station
- Hippies & Hops
- Saxon Pub
- Earl Campbell's
- Jo's Coffee
- Austin Warehouse & Tyler's
- Book People
- Amy's Ice Cream
- Salt Lick BBQ
- Tacodeli
- Jetset Market
- Haymaker
- Annie's Café
- Z-Cafe



# Marketing Support



- Robust marketing campaign
  - Paid social media advertising
  - Branding campaign throughout AUS, to include signage, vinyl wraps, and more
  - Ability to view options and order directly through website

# A Taste of Koko Partnership



# Questions?

