



Recommendation for Action

File #: 22-2385, Agenda Item #: 5.

7/28/2022

Posting Language

Approve a resolution regarding amendments to the Amended and Restated Hotel Management Agreement between Austin-Bergstrom Landhost Enterprises, Inc. and Boykin Prospera, LLC for the operation of the Hilton Austin Airport Hotel, a full-service hotel located at Austin-Bergstrom International Airport.

Lead Department

Department of Aviation.

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

Resolution No. 20170803-011 - Council approved a resolution authorizing Austin-Bergstrom Landhost Enterprises, Inc.'s issuance of Airport Hotel Senior Revenue Refunding and Improvement Bonds in an amount not to exceed \$60,000,000.

Resolution No. 20210603-005 - Council approved a resolution approving amendments to Austin-Bergstrom Landhost Enterprises, Inc.'s bylaws to designate the number of directors, to permit the hiring of a compensated president with limits on the president's authority, and to obtain Council's approval of any management or franchise agreement pursuant to which Austin-Bergstrom Landhost Enterprises, Inc.'s property is managed or operated.

Resolution No. 20210603-075 - Council approved a resolution directing the Board of Directors of Austin-Bergstrom Landhost Enterprises, Inc. (ABLE) to follow a certain approval policy regarding any future amendment, renewal, successor, or extension of the Amended and Restated Hotel Management Agreement and all future ABLE hotel management agreements.

For More Information:

Tracy Thompson, Department of Aviation, (512) 530-5023.

Council Committee, Boards and Commission Action:

July 12, 2022 - Recommended the Airport Advisory Commission 6-1-1-3 with Commissioner Ennis voting no, Vice Chair Todd abstaining, and Commissioners Hendricks, Saulmon, and V. Sepulveda absent.

Additional Backup Information:

In the fall of 2021, Unite Here Local 23 contacted the Department of Aviation to discuss options related to a Labor Peace Agreement (LPA) for the Hilton Austin Airport Hotel. The Department of Aviation facilitated negotiations between Boykin Prospera LLC and Unite Here Local 23, with both parties expressing their commitment to work together and making good faith efforts in order to negotiate an LPA. Both ABLE and the Department of Aviation were in support of the parties' efforts to achieve an agreement. An LPA was executed April 4, 2022, an achievement attained in advance of the requirements of Resolution No. 20210603-075.

The initial term of the Amended and Restated Hotel Management Agreement expires on October 31, 2022. Included in the proposed amendments are language to achieve the labor peace objectives established by Council in Resolution No. 20191017-024, an acknowledgment of the ongoing commitment to the City of Austin's Living Wage, and an extension of the Amended and Restated Hotel Management Agreement to October 31, 2024.

Draft Resolution; Amendment to the Amended and Restated Hotel Management Agreement, as Exhibit A to the Draft Resolution.

Strategic Outcome(s):

Government that Works for All.