



**AGENDA REPORT**

**PROPOSED ACTION: Ordinance:** Adopt an Ordinance to Approve and Authorize the Executive Director to Execute an *Amendment No. 9 to Space/Use Permit for Specialty Retail/Wine Bar Concession* with Taste, Inc, dba Vino Volo to (1) Extend the Term through December 31, 2024 for approximately \$339,770.33 in Anticipated Revenues; and (2) to Waive Certain Restrictions in Resolution No. 16-144 – Resolution Approving a Restatement, Affirmation and Update to the Board’s Policy for Awarding Concession And Customer Service Privileges at the Terminal Complex and Finding that the Proposed Action is Exempt Under the California Environmental Quality Act (**Aviation**).

**Submitted By:** Craig Simon, Interim Airport Director; Kristi McKenney, Acting Executive Director

**Parties Involved:** Taste, Inc. dba Vino Volo, Oakland, CA

**Amount:** \$339,770.33 (Anticipated Revenue from Twelve Month Term)

**EXECUTIVE SUMMARY:**

The existing *Space/Use Permit for Specialty Retail/Wine Bar Concession* (SUP) with Taste, Inc. dba Vino Volo (Vino Volo) will expire on December 31, 2023. Port Staff and representatives from Vino Volo are working on finalizing the terms and conditions of a new agreement for substantial capital improvements at its two existing units at OAK. Port Staff requests that the current SUP with Vino Volo be extended through December 31, 2024 and seeks approval of *Amendment No. 9 to Space/Use Permit for Specialty Retail/Wine Bar* and authorization for the Executive Director to execute.

**BACKGROUND & ANALYSIS**

Vino Volo currently operates two wine bars at Oakland International Airport (Airport) and serves light refreshments prepared on-site at each location. On November 10, 2022, the Board approved an *Amendment No. 8 to Space/Use Permit for Specialty Retail/Wine Bar Concession* with Vino Volo to waive Section F.4 of the Concession Policy and extend the term from January 1, 2023 to December 31, 2023 to allow Port staff time to review Vino Volo’s proposal for the redevelopment and expansion of both wine bar units.

At Terminal 1, the existing unit is approximately 660 square feet. The proposed expansion will increase the unit to approximately 1,270 square feet with improved sight lines and additional amenities including a grab and go unit, full bar, and a new back-of-house kitchen capable of providing hot items. Vino Volo will be responsible for the redevelopment of this unit. At Terminal 2, the existing unit is approximately 860 square feet. Vino Volo seeks to redevelop this unit by expanding the base building, adding approximately 1,500 square feet to the building, and increasing the overall size of this unit to approximately 2,800 square feet with a full size wine bar, kitchen, barista coffee, retail

marketplace and expanded patio. The Port would be responsible for reimbursing Vino Volo for the base building expansion and Vino Volo would be responsible for the tenant improvements within its premises.

Geotechnical studies have determined that the subsurface soil is capable of supporting the proposed base building expansion. Vino Volo expects to have a proposal submitted to Port Staff for review sometime in the first quarter of 2024. If the proposal is acceptable, staff anticipates returning to the Board in mid-2024, the Extended-Term will provide flexibility should additional work and negotiations be required.

**Table 1**  
**Terms and Conditions of Proposed Amendment No. 9 to Space/Use Permit**

Extended Term:	From January 1, 2024 through December 31, 2024.
Assigned Space:	Two wine bars, one each in Terminals 1 and 2
Rent:	Currently a combination of Percentage of Gross Receipts (two steps/tiers: 12% of the first \$1M in gross receipts, then 14% of gross receipts in excess of \$1M) subject to an adjusted Minimum Annual Guarantee (MAG) calculated for each unit. During the Extended Term, Vino Volo shall continue to pay Percentage of Gross Receipts subject to an adjusted MAG for each unit.

Exception to Board's Policy on Extension of Concession Agreements:

On December 15, 2016, the Board adopted Resolution No. 16-144: "Resolution Approving a Restatement, Affirmation and Update to the Board's Policy for Awarding Concession and Customer Service Privileges at the Terminal Complex at Oakland International Airport", whereby an extension or renewal of any Concession agreement would only be approved where the Board has determined it to be in the best interests of the Airport.

The Board had previously approved a waiver of the Concession Policy and extended the Vino Volo agreement from January 1, 2023 to December 31, 2023. Given the additional research required to determine the feasibility, design, planning, and costs for the base-building build out Staff requests the Board's waiver of the Concession Policy through December 31, 2024.

**OTHER FINDINGS AND PROVISIONS**

**ENVIRONMENTAL REVIEW**

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

- Categorically exempt under the following CEQA Guidelines Section:  
15301 (Existing Facilities)
- Not a "Project" under CEQA, as defined in Public Resources Code § 21065.
- Other/Notes:

**BUDGET**

- Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR
  - Operating
  - Non-Operating
  - Capital

Analysis: There is no budget impact as revenues for Vino Volo were included in the FY2024 Operating Budgets.

**STAFFING**

- No Anticipated Staffing Impact.
- Anticipated Change to Budgeted Headcount.  
Reason:
- Other Anticipated Staffing Impact (e.g., Temp Help).  
Reason:

**MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):**

Applies? No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port’s Capital Improvement Program in Aviation or Maritime areas above the threshold cost.

- Additional Notes:

**LIVING WAGE** (City Charter § 728):

Applies?

No (No Covered Agreement) – proposed action is not an agreement, contract, lease, or request to provide financial assistance within the meaning of the Living Wage requirements.

- Additional Notes:

**SUSTAINABLE OPPORTUNITIES:**

Applies? **No.**

**GENERAL PLAN** (City Charter § 727):

Conformity Determination:

Reason: Extension of existing lease. No change to use of existing facility. However we will request the tenant to incorporate sustainable opportunities during the redevelopment design.

No Project – conformity determination not required because proposed action does not change use of or make alterations to an existing facility, or create a new facility.

**STRATEGIC PLAN.** The proposed action would help the Port achieve the following goal(s) and objective(s) in the Port’s Strategic Business Plan:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Grow Net Revenues        | <input type="checkbox"/> Modernize and Maintain Infrastructure |
| <input checked="" type="checkbox"/> Improve Customer Service | <input type="checkbox"/> Pursue Employee Excellence            |
| <input type="checkbox"/> Strengthen Safety and Security      | <input type="checkbox"/> Serve Our Community                   |
| <input type="checkbox"/> Care for Our Environment            |  |