

Food & Beverage Concession Opportunities



Fly the East Bay Way

Current Food & Beverage Operations @ OAK

- *Space/Use Permit* with Four Operators
- Concurrent Expiration Date of May 31, 2018
- 16 Locations Spread Across Terminals 1 & 2
 - Six Bar & Restaurant Units
 - Five Specialty Coffee Outlets
 - Two Multi-Concept/Food Courts
 - Two Quick Serve Restaurants
- 21,000± Square Feet of Operations Space (plus additional food & beverage and refrigerated storage spaces)

Current Food & Beverage Operations @ OAK

- One Master Concessionaire (w/ Subtenants) and Three Independents
- Host International, Inc.
 - Operated Units: Heinholds First & Last Chance, Starbucks (4), Chili's, Eight Bar, Pyramid Ale House, Fenton's, Auntie Anne's, CPK ASAP and Max's
 - Subtenant Units: Silver Dragon Café, Jamba Juice, Burger King, Subway, Gordon Biersch
- Independent Operations
 - Andalé Management Group, Inc. dba Andalé Mexican Grill
 - Gotham Food Two LLC dba Firewood Café
 - Youth Employment Partnership, Inc. dba Training Grounds



Current Food & Beverage Operations @ OAK Calendar Year 2016 Performance

	Gross Receipts	Annual Rent
Host Operated Units:		
Terminal 1	\$10,581,313.13	\$1,447,809.53
Terminal 2	<u>12,714,294.80</u>	<u>1,688,644.13</u>
Total Host Operated Units	\$23,295,607.93	\$3,136,453.66
Host Subtenant Units	\$8,952,553.11	\$1,148,136.77
Independent Units		
Firewood Café	\$3,486,914.68	\$497,850.41
Andalé	<u>5,087,433.26</u>	<u>586,581.39</u>
Grand Totals	\$40,822,508.98	\$5,369,022.23

Current Food & Beverage Operations @ OAK Calendar Years 2015 vs. 2016

	Gross Receipts	Annual Rent
Calendar Year 2015	\$35,451,487.34	\$4,543,819.69
Calendar Year 2016	<u>40,822,508.98</u>	<u>5,369,022.23</u>
Increases	\$5,371,021.64	\$825,202.54
Percentage Increase	15.15%	18.16%

Current Food & Beverage Operations @ OAK Calendar Years 2015 vs. 2016

Enplanements	Terminal 1	Terminal 2
Calendar Year 2016	2,280,425	3,761,030
Percent of Total	37.75%	62.25%
Sales per Enplaned Passenger (2015)	\$5.93	\$6.03
Sales per Enplaned Passenger (2016)	<u>6.27</u>	<u>7.05</u>
Year-over-Year Sales Increase	\$0.34	\$1.02
Percent Year-over-Year Increase	5.73%	16.92%

Food & Beverage Concession Opportunities

Program Goals & Objectives

Prioritize What's Important

- Create *A Sense of Place*
- Revenue Maximization
- Port Expense Minimization
- Passenger Experience
- Local Business Participation
- Environmental Stewardship
- Community Outreach
- Mix of National & Local Brands
- Labor Peace
- Port Staff Efficiency
- Future Expansion Rights

Food & Beverage Concession Opportunities Management Structure – What Form?

- Prime Concessionaire:

- Areas
- Delaware North
- High Flying Foods
- HMS Host
- Hojeij Branded Foods
- Master ConcessionAir
- Pacific Gateway
- Paradies Lagardere
- TGI Concessions

- Developer/Manager:

- Concessions International
- OTG
- SSP America
- Westfield

- Direct Agreements/Leases
with Individual Unit
Operators:

- Local Business
- Existing Subtenants

Food & Beverage Concession Opportunities

Potential Business Terms

- Length of Term
- Rental Structure
 - Minimum Annual Guarantee
 - Percentage Rent – Stepped
 - Storage Space Rent
- Capital Investment
 - Initial Outlay PSF
 - Mid-Term Refurbishment Amount
- Pricing Structure
 - “Street” + Mark-Up
 - “Benefits” Surcharge
- Food & Beverage Products
 - Required
 - Permitted
 - Prohibited
- Joint/Unified Concessions Marketing Campaign
- Environmental Opportunities
 - Waste Minimization
 - FOG (Fats, Oils, Grease) Reuse
 - Sustainable Cutlery & Packaging
 - LEED Certification of TIs
 - Ambient Energy Usage

Food & Beverage Concession Opportunities

Labor & Local Business Goals

- Labor Peace Rule
- Airport Concessions Disadvantage Business Enterprise
 - Prior/Current ADCBE Success
 - Participation Goals
- Living Wage Requirements
- Labor Pool Program
- Employee Retention Policy
- Local Business Owner Preferences
- Local Sublease/Joint Venture Partnership
- MAPLA Requirement
- Subcontracting/Local Construction Participation Requirements

Food & Beverage Concession Opportunities Schedule and Timeline

- **October 2017:** Presentations to Board of Port Commissioners
- **November 2017:** RFP Pre-Release presentation to Board of Port Commissioners
- **Mid-December 2017:** Port to Issue RFP for Food & Beverage Concessions Opportunities
- **Late February 2018:** RFP Proposals Due
- **Late March 2018:** Interviews and Presentations by Respondents
- **April 2018:** Aviation's Recommendation and Board's Approval of Best Proposal(s)
- **Summer 2018:** Completion of Concept Design, Architectural Plans; Commence Permit Approval Process with Port & City
- **Autumn 2018:** Transition Plans Finalized, Including Staging of Temporary Units
- **Early January 2019:** Occupancy Date for new Concessionaire(s) and Closing of Existing Operations.

THANK YOU