



# Opportunities in Houston



## William P. Hobby Food and Beverage



# Concessions Industry Day Overview

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- Welcome
- Opening Remarks
- Office of Business Opportunity
- Packages Overview
- Questions

# Office of Business Opportunity



*Jason McLemore, Deputy Assistant Director*

# Certification

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- Participating firms must be certified ACDBE.
- Firms must be certified ACDBE at time of submission. If not certified ACDBE they will not be counted towards contract participation.
- Firms certified ACDBE in another state must contact their certification agency prior to seeking certification in Texas.
- Firms certified ACDBE through the Texas Unified Certification Program are certified statewide.
- Questions about certification, visit <http://www.houstontx.gov/obo/>

# Counting ACDBE Participation

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- ACDBE can be counted under a concessions agreement, management contract or as a subcontractor.
- ACDBE must self perform the work in which they are being utilized.
- ACDBE can support professional, technical, consultant, legal, security systems, advertising, building cleaning and maintenance, computer programming, or managerial.
- Prime Concessionaires can purchase directly from an ACDBE manufacturer or dealer.

## **Joint Venture**

- The joint venture should operate in accordance with a written agreement
- Identification of the participants and business enterprise
- Term of the Agreement
- Capital Contributions
- Management of the Business
- Administrative Matters
- Dissolution

## **Tips for Reviewing Participation**

- Capital contribution – should be proportional and clearly specified
- Control – Each JV Partner should assume full responsibility for executing each element of the work assigned
- Management – The ACDBE participant must share in the overall & day-to-day management of the JV
- Risks – Each must share in the risks in proportion to their ownership interest
- Profits – Each must also share in the profits in proportion to the ownership interest



# Opportunities in Houston



## William P. Hobby Food and Beverage



# William P. Hobby Airport



## OUR MISSION

We exist to connect the people, businesses, cultures and economies of the world to Houston.

## William P. Hobby Airport

### FAST FACTS

Acquired in 1937



# 13MIL

37th busiest airport in the U.S. for passenger totals in 2016; nearly 13.5 million passengers traveled through the airport in 2017



# 5-gate Intl. Concourse

Opened new \$156 million, five-gate international concourse in October 2015



# 60 Destinations

Nonstop direct airline service to more than 60 destinations within U.S., Mexico, Latin America and the Caribbean



# Active Hub

Home to one of Southwest Airlines' most important and active hubs



# 52K Jobs

Supports 52,000 local jobs and contributes \$4.4 billion to the local economy



# 1937

Acquired by the City of Houston in 1937

Houston's second-largest airport

### FIXED BASE OPERATORS

Atlantic Aviation Corporation • Jet Aviation Center, Inc.  
Million Air • Signature Flight Support • Wilson Air Center

### PASSENGER AIRLINES

American Airlines  
Delta Air Lines  
JetBlue Airways  
Southwest Airlines

### FACILITIES

- Four state-of-the-art runways
- 30 aircraft gates
- More than 250 HOU based aircraft
- 25 major airport tenants
- 42 aircraft hangars



7800 Airport Blvd  
Houston, TX 77061

713.640.3000  
TDD: 713.641.7782  
Media: 281.233.1234

GENERAL MANAGER LULIANA RAMBO

- Welcomed international air service in 2015
- Nonstop or direct service to nearly 60 destinations throughout the U.S., Latin America and the Caribbean
- More than 14 million passengers served in 2018
- 37th busiest airport in the U.S. for passenger totals in 2016
- New federal inspection services facility opened October 2015



World Airport Rating is the international airport quality rating program operated by Skytrax. The airport star ratings are recognized as a global benchmark of airport standards.

- Houston is only the third city in the world and the only city in the U.S. that has two airports with a 4-star or better rating from industry experts Skytrax
- 2018 was the third straight year Hobby Airport earned a four-star rating from Skytrax



*“Ultimately, our vision is to provide customers at all of the Houston Airport System facilities with a 5-star experience”~ Mario Diaz, the Director of Aviation for the Houston Airport System*



# Sales and Growth

## HOU F&B Sales and PAX



# Concessions Planning & Vision

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## Guiding Principles

- Program Focused on Customer Service and 5 Star Experience
- Increase Variety and Selection for our Customers
- Increase Opportunities for Operators
- Enhance Competition for Food & Beverage
- Develop a more defined “Sense of Place”

# Scope

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- Two Packages
  - 10 Locations – Approximately 15,317 SF
  - 11 Locations – Approximately 18,078 SF
- Term – 10 years
- Percentage Rent to be proposed by Proposer - Minimum % specified in RFP packages
- Minimum investment \$400/psf
- No MAG first year; 85% of Prior Year Due thereafter
- Street Pricing + 10%
- Marketing fee of 1.00% of Gross (.50 to HAS / .50 for Tenant marketing)
- ACDBE Goal 36% Each Package
- Target RFP Release: April 2019



# To Stay Informed



<https://www.fly2houston.com/biz/opportunities>

<https://www.fly2houston.com/biz/opportunities/office-of-business-opportunity>

**Thank you!**