

CONSENT AGENDA
ITEM NO. 11

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
AVIATION DEPARTMENT**

TO: Mayor and City Council

FROM: Kevin C. Dolliole, Aviation Director

THROUGH: Terry M. Brechtel, City Manager

COPIES TO: J. Rolando Bono, Asset Management, Budget, Legal, Finance and File

SUBJECT: Concession Contracts at San Antonio International Airport

DATE: March 11, 2004

SUMMARY & RECOMMENDATION

The proposed ordinance authorizes the City Manager or her designee to accept assignment of an existing Concession Agreement with Famiglia International, Inc., known as Famous Famiglia, to FD Leasing Group, L.L.C. The assignment, transferring all rights and interest, would allow the continuation of a popular Italian food concession located in Terminal One at San Antonio International Airport.

Staff recommends the approval of this ordinance.

BACKGROUND INFORMATION

In response to the City's request and through its Concession Manager, Westfield Concession Management, Famiglia International, Inc. submitted a proposal on December 14, 2001 and was awarded a concession contract by City Council pursuant to Ordinance Number 95351, adopted on February 22, 2002, for Terminal One concession space 124, San Antonio International Airport. Famiglia International, Inc., known as Famous Famiglia, has operated since that date and has provided quality customer service and products to the traveling public. The Concessionaire has proven to be an outstanding contributor to the San Antonio International Airport concession program, generating average sales of \$94,326 per month in 2002 and \$96,385 per month in 2003. The Concession has produced \$133,454 in concession revenue to the City during the 2003 time period.

To facilitate future expansion and continued stability of the existing Famous Famiglia airport locations in San Antonio; Newark, New Jersey; George W. Bush Intercontinental, Houston, Texas; JFK, New York City, NY in addition to numerous shopping mall locations nationwide, Famiglia International, Inc. has entered into a partnership with the DeBartolo Group. The FD Leasing Group L.L.C. is a partnership formed by the original Concessionaire, Famiglia International, Inc. and the DeBartolo Group. The formation of the partnership and investment by

DeBartolo will greatly improve the financial strength of the Concessionaire. In addition, the formation of the partnership will allow for the investment of approximately \$7,000,000 by the DeBartolo Group into Famiglia International. The resulting partnership will provide for an improved financial condition and performance in all financial obligations.

POLICY ANALYSIS

The proposed ordinance is consistent with prior City policy and City Council's approved Concession Procedures Manual and Policy Statement of January 11, 2001.

FISCAL IMPACT

There is no financial impact to the City.

COORDINATION

This item has been coordinated with the Asset Management Department and the City Attorney's Office.

SUPPLEMENTARY COMMENTS

The required Ethics Ordinance Disclosure form completed by the concessionaires is attached hereto.



Kevin C. Dolliole
Aviation Director



J. Rolando Bono
Deputy City Manager

APPROVED:



Terry M. Brechtel
City Manager

City of San Antonio

Discretionary Contracts Disclosure*

For use of this form, see City of San Antonio Ethics Code, Part D, Sections 1&2
Attach additional sheets if space provided is not sufficient.
State "Not Applicable" for questions that do not apply.

* This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed.

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the city in the enforcement of provisions contained in the City Charter and the code of ethics, an individual or business entity seeking a discretionary contract from the city is required to disclose in connection with a proposal for a discretionary contract:

(1) the identity of any **individual** who would be a party to the discretionary contract;

Famiglia International, Inc + DB Pizza, LLC (members)	
Paul Kolas, Pres.	Gerald DeNicholas
John Kolas, V.P.	Benjamin Heldfond
Giorgio Kolas, V.P.	Eddy Midyett

(2) the identity of any **business entity**¹ that would be a party to the discretionary contract:
and the name of:

(A) any individual or business entity that would be a *subcontractor* on the discretionary contract;

N/A

(B) any individual or business entity that is known to be a *partner*, or a *parent* or *subsidiary* business entity, of any individual or business entity who would be a party to the discretionary contract;

(Same as # 1)

(3) the identity of any *lobbyist* or *public relations firm* employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

N/A

¹ A *business entity* means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.


Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any *current* or *former member* of City Council, any *candidate* for City Council, or to any *political action committee* that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorneys, or registered lobbyists of the entity.

To Whom Made: N/A	Amount: - 0 -	Date of Contribution: N/A
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Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 1 of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

<div>Paul Kolaj</div>		
Signature: 	Title: President + CEO Company: Famiglia-DeBartolo, LLC	Date: Jan. 28, 2004

² For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

City of San Antonio

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(1) the identity of any individual who would be a party to the discretionary contract;

"Not Applicable"

(2) the identity of any business entity¹ that would be a party to the discretionary contract:
Famiglia-DeBartolo, LLC, a Delaware limited liability company
and the name of:

(A) any individual or business entity that would be a *subcontractor* on the discretionary contract;

"Not Applicable"

(B) any individual or business entity that is known to be a *partner*, or a *parent* or *subsidiary* business entity, of any individual or business entity who would be a party to the discretionary contract;

DB PIZZA, LLC, a Delaware limited liability company

(3) the identity of any *lobbyist* or *public relations firm* employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

"Not Applicable"

¹ A *business entity* means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.

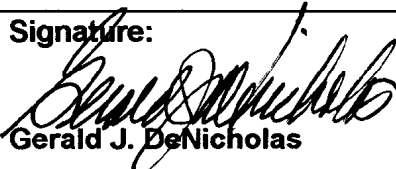
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To Whom Made:	Amount:	Date of Contribution:
"Not Applicable"	"Not Applicable"	"Not Applicable"

Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 1 of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

"Not Applicable"		
Signature:  Gerald J. DeNicholas	Title: President & CEO Company: DB Pizza, LLC. a Delaware limited liability company	Date: 01/29/04

² For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.