

**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, Deputy City Manager, Asset Management, Budget,
Legal, Finance and File

SUBJECT: Amendment to the Concession Contract with HMSHost at San Antonio
International Airport

DATE: June 24, 2004

SUMMARY & RECOMMENDATION

This ordinance authorizes the execution of an amendment to the existing concession agreement with HMSHost for Simply Books/Starbucks Coffee location, known as Space 162, San Antonio International Airport, Terminal One. The amendment will provide for the adjustment in the rental commencement date and the square footage of the demised premises.

Staff recommends the approval of this ordinance.

BACKGROUND INFORMATION

Ordinance Number 95351, passed and approved by City Council on February 22, 2002, awarded HMSHost a concession contract for a 1,763 square foot facility in Terminal One. HMSHost (Concessionaire) has operated the location known as Simply Books/Starbucks Coffee since opening on June 11, 2003 and has provided quality customer service and products to the traveling public. This Ordinance will allow the concession agreement to be modified to reflect the reduction in the square footage of the location as a result of post 911 security requirements by the Transportation Security Administration (TSA). In conjunction with the reduction of the square footage, the rental commencement date will be modified to reflect the delays in Concessionaire's completion of the location resulting from the redesign of the premises. The relocation and enlargement of the existing exit lane from the Terminal One concourses and the inclusion of a private search area, as directed by the TSA, reduced the square footage of the Simply Books location from 1,763 square feet to 1,488 square feet and delayed the commencement of construction. The amendment changes the rental commencement date from May 4, 2003 to June 11, 2003.

The Concessionaire has proven to be an outstanding operator in the concession program, generating average sales of \$107,940.00 per month in 2003 and sales levels in excess of \$142,000.00 for the first four months of 2004. As a result, the Concession produced \$79,703.00 in revenue to the City for 2003 and \$51,168.00 for the four months in 2004.

HMSHost operates six (6) locations in the San Antonio International Airport in addition to the Simply Books/Starbucks location and has been a major contributor to the success of the revitalized concession program. HMSHost operates over 200 branch locations in 70% of the nation's largest airports, with 15 Simply Books locations in 14 airports.

POLICY ANALYSIS

This ordinance is consistent with the City Council policy of maintaining a self-sufficient airport by the generation of revenue through the leasing of City owned properties.

FISCAL IMPACT

No financial impact to the City.

COORDINATION


This item has been coordinated with the City Attorney's Office.

SUPPLEMENTARY COMMENTS

The Discretionary Contracts Disclosure form completed by the concessionaire is attached.



Kevin C. Dolliole
Aviation Director



J. Rolando Bono
Deputy City Manager

APPROVED:



f 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;

N/A

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

Host International, Inc.
and the name of: Bernard N. Brown, Vice President

(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;

N/A

(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.

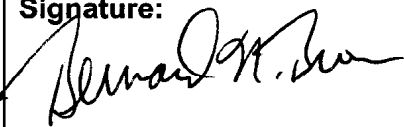
Political Contributions

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:	Amount:	Date of Contribution:
N/A	N/A	N/A

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.

Signature: 	Title: Vice President Company: Host International, Inc.	Date: 6/1/04

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.