

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

CONSENT AGENDA
ITEM NO. 41

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: Concession Contracts with Lorna J. Smith and Reliable Amusement Company at San Antonio International Airport

DATE: June 24, 2004

SUMMARY & RECOMMENDATION

This ordinance authorizes the execution of concession agreements with Lorna J. Smith d/b/a Shannon Smith Enterprises for the use of approximately 200 square feet of retail space in Terminal One and Reliable Amusement Company, Inc. ("Reliable Amusement Company") d/b/a The Landing Zone for the use of approximately 250 square feet of retail space in San Antonio International Airport, Terminal Two. The term of the agreement with Lorna J. Smith is five (5) years, and the term of the agreement with Reliable Amusement Company, Inc. expires on July 14, 2007.

Staff recommends the approval of this ordinance.

BACKGROUND INFORMATION

Ordinance 95351 passed and approved by City Council on February 21, 2002 awarded Lorna J. Smith and Reliable Amusement Company concession contracts for space in Terminal One and Terminal Two respectively.

As part of the previous concession program, Lorna J. Smith, a certified DBE by the South Central Texas Regional Certification Agency (SCTRCA), operated a shoeshine location in each terminal. In response to the RFP issued on November 1, 2001, she submitted a proposal on December 14, 2001 for locations in Terminals One and Two for which the Concessionaire opened the Terminal Two location and has paid the Minimum Guaranteed Rent of \$3,650.00 per annum verses 13% of sales. As a result of the security checkpoint requirements mandated by the Transportation Security Administration for post 911 security in Terminal One, the original location for the Shoe Shine concession was severely restricted from passenger access. The unsuitable nature of the original location and the lack of a suitable area for relocation, delayed the execution of the Concession Agreement beyond the 180 day period for execution by both parties as provided by the City Ordinance. As provided by the new Concession Agreement, Lorna J. Smith d/b/a Shannon Smith Enterprises will be located in Space 122, and contain approximately 200 square feet.

As part of the previous concession program Reliable Amusement Company, a certified DBE by the South Central Texas Regional Certification Agency (SCTRCA) operated a game room location in each terminal. In response to a RFP issued on November 1, 2001, Reliable Amusement Company submitted a proposal on December 14, 2001 for a game room location in Terminal Two. As a result of the security checkpoint requirements mandated by the Transportation Security Administration for post 911 security in Terminal One, the original location for the game room location was severely restricted from passenger access. The unsuitable nature of the original location and the lack of a suitable area for relocation, delayed the execution of the Concession Agreement beyond the 180 day period for execution by both parties as provided by the City Ordinance. As provided by the new Concession Agreement, Reliable Amusement Company will be located in Space 269, and contain approximately 250 square feet.

POLICY ANALYSIS

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

FISCAL IMPACT

The Minimum Annual Guarantee to be paid to the City by Lorna J. Smith, during the first full year of operation of the concessions will be the greater of \$7,000.00 or 12% of gross sales. The City is guaranteed \$35,000.00 in concession fees over the life of this contract.

The Minimum Annual Guarantee to be paid to the City by Reliable Amusement Company, during the first full year of operation will be the greater of \$2,800.00 or 28% of gross sales. The City is guaranteed \$8,400.00 in concession fees over the life of this contract.

COORDINATION

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

SUPPLEMENTARY COMMENTS

The Discretionary Contracts Disclosure forms completed by the Concessionaires are attached.

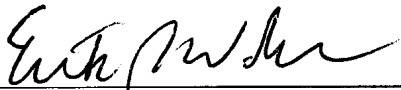


Kevin C. Dolliole
Aviation Director



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.

I think this is a very worthy cause. I think this is a very worthy cause. **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;

NONE

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

NONE

and the name of:

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

NONE

(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;

NONE

(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.

NONE

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.

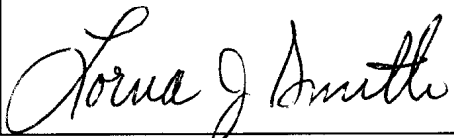
Political Contributions

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:
NONE	—	—

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: OWNER Company: SHANNON SMITH'S ENT.	Date: 6/8/04

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.

City of San Antonio
Discretionary Contracts Disclosure*

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State "Not Applicable" for questions that do not apply.

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

ANTHONY ARRANAGA

- (2) the identity of any **business entity**¹ that would be a party to the discretionary contract:
RELIABLE AMUSEMENT Co. dba/ LANDING ZONE
and the name of:

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

NONE

- (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;

NONE

- (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.

NONE

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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.

N/A		
Signature: 	Title: President Company: Reliable Amusement	Date: 6-10-04

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.