

**CITY OF SAN ANTONIO
AVIATION DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

CONSENT AGENDA

ITEM NO. 11

TO: Mayor and City Council

FROM: Roland A. Lozano, Interim Aviation Director

SUBJECT: Amendment to the Concession Agreement with HMSHost International, Inc., Space 200, "Rosario's Cantina" at San Antonio International Airport

DATE: October 13, 2005

SUMMARY & RECOMMENDATION

This ordinance authorizes the execution of an amendment to Standard Concession Agreement No. 133026 between the City of San Antonio and HMSHost International, Inc., to allow the addition, of approximately 367 square feet of space to the "Rosario's Cantina" location in Terminal Two at San Antonio International Airport, and authorizes build-out of the additional space at HMSHost International, Inc.'s expense.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

Ordinance 94214, passed and approved by City Council on June 28, 2001, awarded HMSHost International, Inc. ("HMSHost") a Concession Agreement for a food and beverage, and bar facility, and lease of the premises known as Space 200, in the satellite area of Terminal 2 of the San Antonio International Airport, for a five (5) year term ending March 31, 2007. ("Original Agreement") HMSHost later formed a joint venture with Chelsea's Sandwiches of Texas, Inc., a local DBE, creating the Host-Chelsea Joint Venture.

Since August 22, 2002, the Host-Chelsea has operated the concession as "Rosario's Cantina" and has provided quality customer service to the traveling public. This ordinance will allow the original agreement with HMSHost to be modified to allow the addition of approximately 367 square feet of space to the "Rosario's Cantina" premises which will allow the Tenant to expand the seating capacity and reposition the seating configuration in consideration of ADA requirements. The tenant is responsible for the costs associated with modifications to the space.

This additional space will allow Host-Chelsea to better serve the volume of customers generated by the increase in passenger traffic in that location and generate increased percentage rental revenue to the City.

POLICY ANALYSIS

This ordinance is consistent with City Council policy to generate revenue through leasing of City-owned property.

FISCAL IMPACT

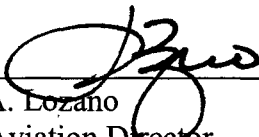
The concessionaire currently pays a minimum annual guarantee of \$195,000.00. The minimum rental was established based on enplanements, location, and passenger exposure, rather than square footage; therefore, the concessionaire's guaranteed rent will not be affected by this increase in square footage. However, in addition to the minimum annual guaranteed rent, the concessionaire pays a percentage rental based on its gross sales each month. Based on the additional seating, turn-over rate of customers, and current sales, HMSHost projects the additional revenue to the City generated by the expansion to be approximately \$32,000.00 annually. Staff will increase by four full-time positions. Host will absorb all costs of the expansion construction, so there will be no cost outlay to the City for generation of these increased revenues.

COORDINATION


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

SUPPLEMENTARY COMMENTS

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



Roland A. Lozano
Interim Aviation Director

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J. Rolando Bono
City Manager

City of San Antonio
Discretionary Contracts Disclosure

*For use of this form, see Section 2-59 through 2-61 of the City Code (Ethics Code)
Attach additional sheets if space provided is not sufficient.*

(1) Identify any individual or business entity¹ that is a **party** to the discretionary contract:

HUSKIOS CORPORATION, DBA HOX INTERNATIONAL

(2) Identify any individual or business entity which is a **partner, parent** or **subsidiary** business entity, of any individual or business entity identified above in Box (1):

☐ No partner, parent or subsidiary; or

List partner, parent or subsidiary of each party to the contract and identify the corresponding party:

CHELSEA SANDWICHES OF TEXAS
WILLIAM FRANKLIN, PRESIDENT

(3) Identify any individual or business entity that would be a **subcontractor** on the discretionary contract.

☐ No subcontractor(s); or

List subcontractors:

RETAIL BUILDERS GROUP

(4) Identify any **lobbyist** or **public relations firm** employed by any party to the discretionary contract for purposes related to seeking the discretionary contract.

☒ No lobbyist or public relations firm employed; or

List lobbyists or public relations firms:

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. A sole proprietor should list the name of the individual and the d/b/a, if any.

(5) Political Contributions

List all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made 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 Box (1), (2), (3) or (4) above, or by the officers, owners of any business entity listed in Box (1), (2) or (3):

☒

No contributions made; If contributions made, list below:

By Whom Made:	To Whom Made:	Amount:	Date of Contribution:

(6) Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city must disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 2-43 of the City Code (Ethics Code), ("conflicts of interest") by participating in official action relating to the discretionary contract.

☒

Party not aware of facts which would raise a "conflicts-of-interest" issue under Section 2-43 of the City Code; or

Party aware of the following facts:

This form is required to be supplemented in the event there is any change in the information 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, whichever occurs first.

Signature:



Title:

GENERAL MANAGER

Company or D/B/A:

HOST INTERNATIONAL

Date:

9-28-2005

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.