

FOOD & BEVERAGE CONCESSION OPPORTUNITY

Agenda

Welcome & Ground Rules

- Handouts: Agenda, Map, Financial Info, Outline of Proposed Business Terms, RFP Process Schedule
- Questions? Use the Question/Comment Cards
- All Presentation Materials will be posted on the Port's website

OAK Marketing & Air Service Update

Current & Proposed Food & Beverage Program @ OAK

Unique Aspects of Operating in an Airport

ACDBE Participation & Certification Process

After the Presentations

- Meet-and-Greet with Business Partners
- Restrooms available near elevators

Terminal Tour – For Those Who Confirmed!

- Bring Gate Pass Issued at Check-In
- Bring Government-Issued IDs
- Go through passenger security checkpoint
- General location of current operations
- No behind-the-scenes looks at restaurants

Food & Beverage Concession Opportunities

Proposed Business Terms

Basic Terms:

- ➔ Two Packages/Prime Operators with approximately equal number of spaces/square footage spread throughout Terminals 1 & 2
- ➔ Term = 10 years, occupancy January 2019
- ➔ Initial Capital Investment = \$450/SF
- ➔ Mid-term Capital Investment = \$150/SF
- ➔ Marketing Fund = 0.5% of Gross Sales

Rental Structure:

- ➔ Percent Rental rates
 - Food and Non-alcoholic beverages = 13%
 - Alcoholic beverages = 16%
- ➔ Minimum Annual Guarantee (MAG)
 - Post Secure, Units < 1,000 SF = \$250/SF
 - Post Secure, Units 1,000 to 5,000 SF = \$200/SF
 - Post Secure, Units > 5,000 SF = \$100/SF
 - Pre-Secure, Both units = \$75/SF
- ➔ Pricing Policy = Street + 10%
- ➔ Benefits Fee = +2% (Not attributable to MAG)

Experience & Qualifications:

Each Proposer, or its majority partner, shall have significant experience operating in an airport environment. At a minimum, Proposer must have operated:

- ➔ In a food and beverage concession in at least three airports;
- ➔ In those airports for three continuous years within the last five years; and,
- ➔ At least one of these operations must have generated at least \$5 million in annual gross sales in at least one of those three years.
- ➔ Businesses without this experience and minimum qualifications are encouraged to partner with an entity(ies) with such experience.

Oakland International Airport
Food and Beverage Program
Gross Sales CYs 2016 and 2017

Unit #	Concept Name	Operator	SF	CY 2016		CY 2017	
				Gross Sales	Sales/ SF	Gross Sales	Sales/ SF
Terminal 1							
F-2 (PS)	Heinold's	HMSHost	935	\$ 527,373	\$ 564	\$ 574,989	\$ 615
F-3	Starbucks	HMSHost	904	2,015,134	2,229	2,336,488	2,588
F-4/5	Chili's	HMSHost	3,904	5,101,507	1,307	6,221,202	1,594
F-6	Silver Dragon	Silver Dragon Café (sub to HMSHost)	655	3,712,551	5,668	4,426,586	6,758
F-7	Eight Bar	HMSHost	1,223	1,389,830	1,136	1,873,194	1,532
F-8	Starbucks	HMSHost	517	1,547,468	2,993	2,013,543	3,895
Total T1			8,138	\$ 14,293,863	\$1,756	\$ 17,446,002	\$2,144
T1 Sales/EP				\$ 6.27		\$ 6.42	
Terminal 2							
F-12 (PS)	Training Grounds	Youth Employment	397	\$ 96,221	\$ 242	\$ 98,836	\$ 249
F-9	Starbucks	HMSHost	661	2,241,008	3,390	2,412,271	3,649
E-5	Firewood	Gotham Foods Two LLC	582	3,486,915	5,991	3,508,537	6,028
F-10	Pyramid Ale House	HMSHost	1,320	4,275,654	3,239	4,586,370	3,475
F-11	Jamba Juice	CMC Food Servs.(sub to HMSHost)	1,170	\$ 1,216,809	\$1,040	\$ 1,264,596	\$1,081
F-11	Burger King	Almison Restaurants (sub to HMSHost)	1,170	1,487,652	1,271	1,608,828	1,375
F-11	Subway	NNF Grewal (sub to HMSHost)	1,170	1,656,371	1,416	1,710,030	1,462
F-11	Fentons Ice Cream	HMSHost	322	288,086	895	358,936	1,115
F-11	Seating		2,018	-	-	-	-
		Total Food Court F-11	5,850	\$ 4,648,918	\$ 795	\$ 4,942,390	\$ 845
R-11f	Auntie Anne's	HMSHost	167	815,917	4,886	995,990	5,964
F-13	Starbucks	HMSHost	468	1,858,313	3,971	1,934,569	4,134
F-14	CPK ASAP	HMSHost	1,000	\$ 1,538,627	\$1,539	\$ 1,650,914	\$1,651
F-14	Max's	HMSHost	1,000	1,696,690	1,697	1,731,335	1,731
F-14	Seating		322	-	-	-	-
		Total F-14	2,322	\$ 3,235,317	\$1,393	\$ 3,382,249	\$1,457
E-9	Andale	Andale Mgmt. Group	1,356	5,087,433	3,752	5,334,977	3,934
F-15	Gordon Biersch	CMC Food Servs. (sub to HMSHost)	468	782,950	1,673	909,564	1,944
Total T2			13,591	\$ 26,528,646	\$1,952	\$ 28,105,753	\$2,068
T2 Sales/EP				\$ 7.05		\$ 7.37	
Total F&B Program			21,729	\$ 40,822,509	\$1,879	\$ 45,551,755	\$2,096
Total Sales/EP				\$ 6.76		\$ 6.98	

Enplanements

	CY 2016	CY 2017	% Inc.
Terminal 1	2,280,425	2,716,155	19.1%
Terminal 2	3,761,030	3,814,113	1.4%
Total Airport Enplanements	6,041,455	6,530,268	8.1%

Note: "PS" stands for *Pre-Security*. Heinold's and Training Grounds are located before Security Screening.

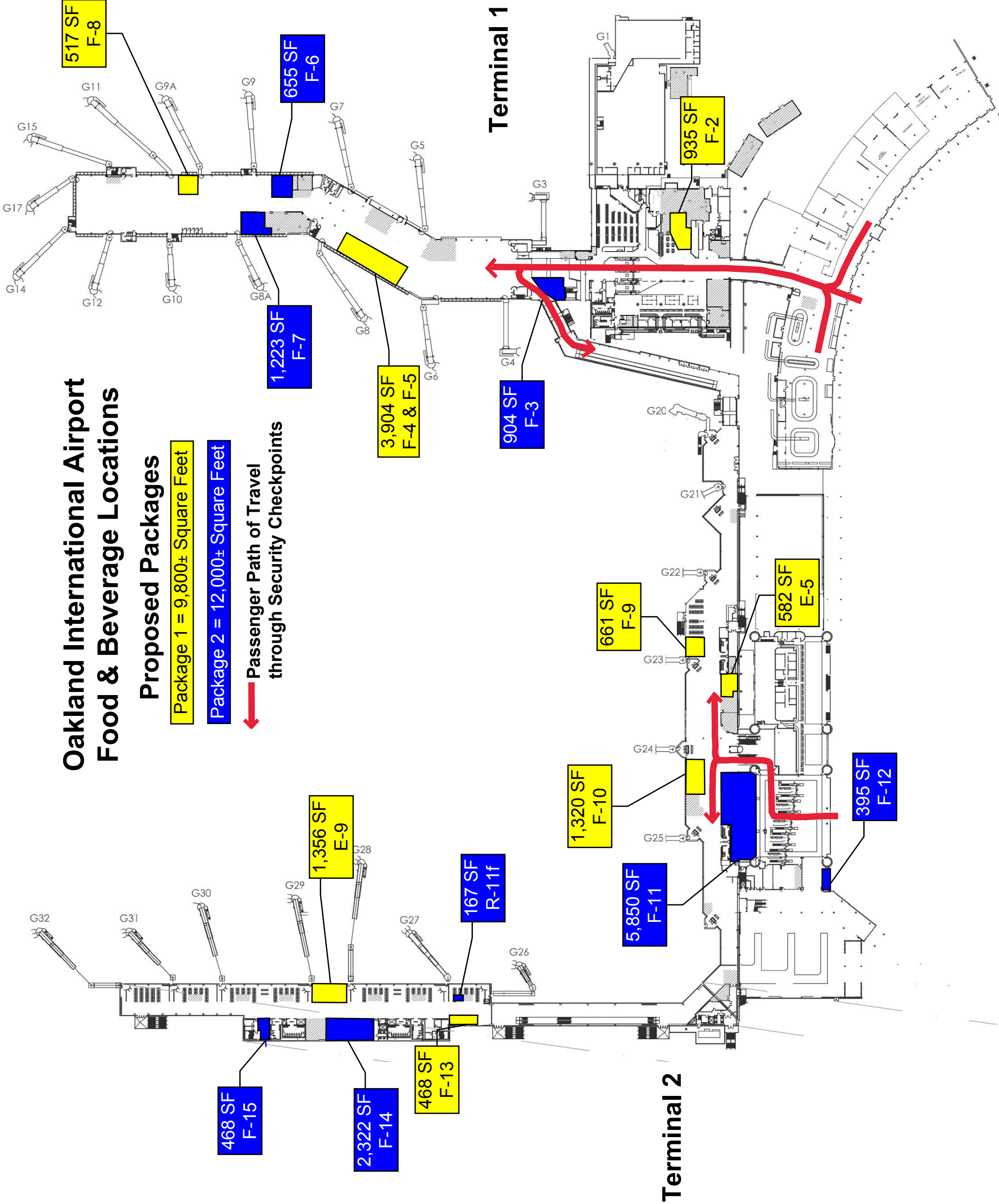
Oakland International Airport Food & Beverage Locations

Proposed Packages

Package 1 = 9,800± Square Feet

Package 2 = 12,000± Square Feet

Passenger Path of Travel
through Security Checkpoints



FOOD & BEVERAGE CONCESSION OPPORTUNITY

Tentative RFP Schedule

Outreach Meetings	February 2018
Board Approval of RFP	March 2018
RFP Issued	March 2018
Pre-proposal Meeting	April 2018
Proposals Due to Port	June 2018
Proposer Interviews	Mid August 2018
Proposers Selected	End August 2018
Board Meeting and Contract Awards	End September 2018
Design and Construction Documents	Oct 2018 –Jan 2019
Construction of New Units Begin	January 14, 2019
All Units Open	July 2019