

Item Number: 7a Supp  
Date of Meeting: 03/27/2012

# Interim Concessions Leasing

2012-2014



SEATTLE-TACOMA INTERNATIONAL AIRPORT

# Presentation Overview

- Recent History
- Opportunities: 2012-2014
- Proposed Approach

# History: Preparation for 2015-17 Transition

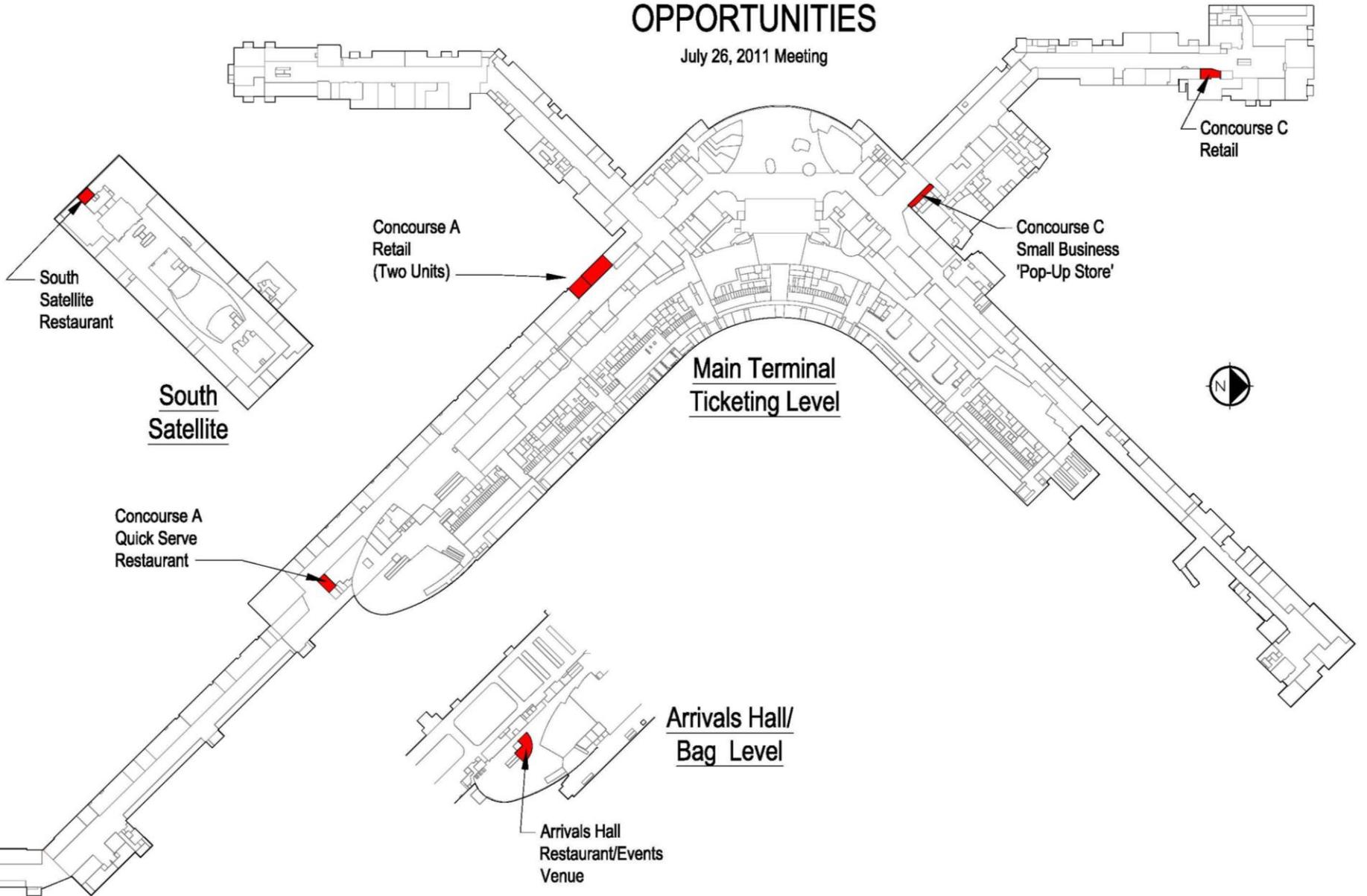
- 75 units' leases terminate in 2015-2017
- Stakeholder process gathered input on values and strategies appropriate for transition
- Staff presentation on December 13, 2011
- Commission provided policy direction on Feb. 14, 2012
- Master planning for transition underway
- Will seek further guidance from Commission in mid-2013

# History: Leasing Agent Contract

- Approved on July 26, 2011
- Included single unit food & retail opportunities for “direct recruitment”
- Intended for local, small and/or ACDBE operators
- Included planning work for program transition
- AirProjects/Real Retail selected by RFP and now under contract

# CONCESSIONS DEVELOPMENT OPPORTUNITIES

July 26, 2011 Meeting



# History: Expect the Unexpected

- Borders Liquidation (CT-10) – August 9, 2011
- Hudson 'Letter of Intent' (CT-10) – Sept. 21, 2011
- Beecher's Initial Inquiry – April, 2008
- Regus Notification to Vacate (CC-09) – August, 2011
- Beecher's 'Letter of intent' (CC-09) – October 20, 2011
- McDonald's 'Letter of Intent' (CB-07) – Oct. 14, 2011

# Leasing Strategy Drivers

- Response to single-unit event or opportunity
- Unit specific characteristics or issues
- Specific vs. generic passenger demand or need
- Maximization of revenue
- Urgency of passenger need/capacity problem

# Tailored Selection Method

## *Request for Proposals*

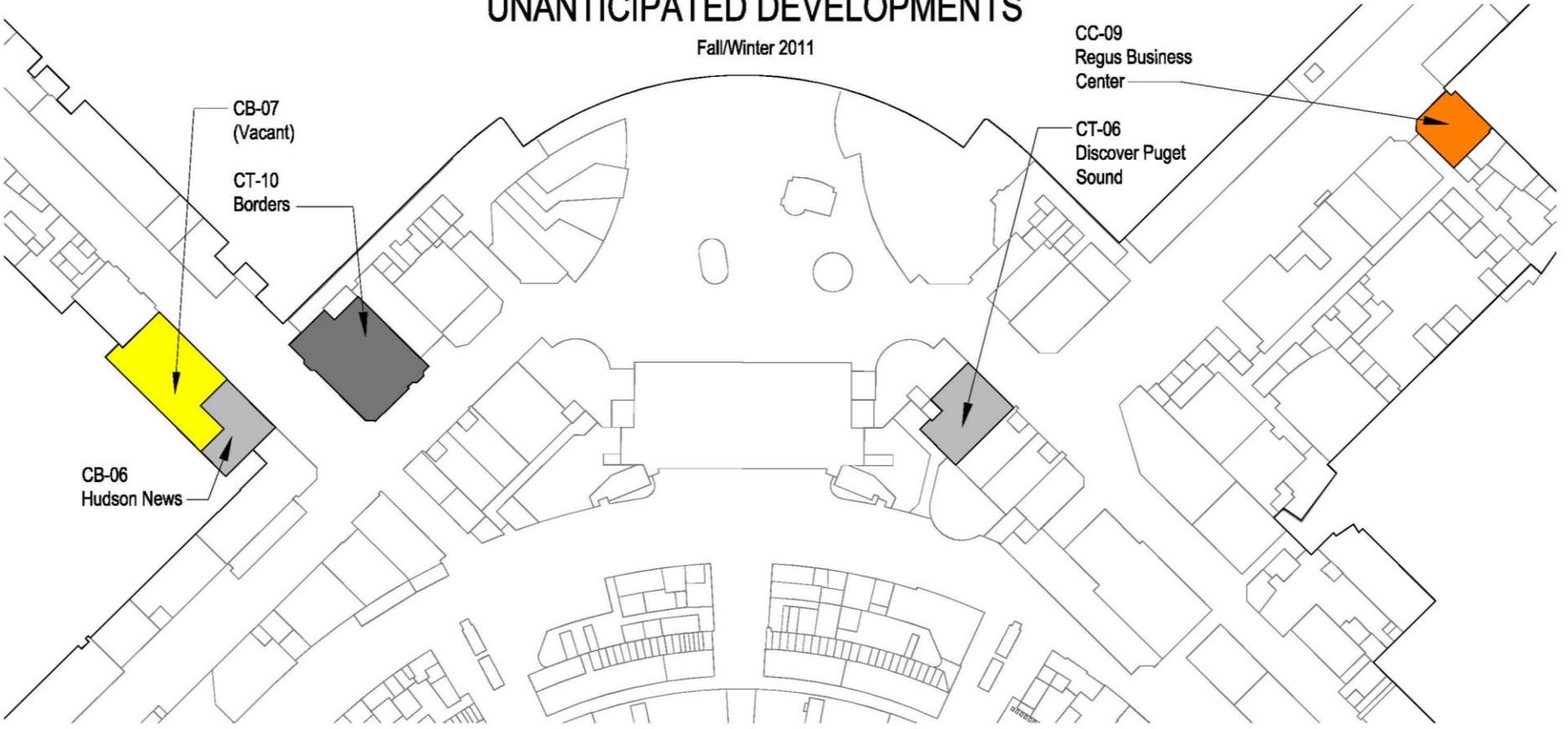
- Advantageous when known competition exists
- Cost-effective for multiple unit packages
- Meets more general category needs (e.g. duty free)
- Proposals garner broad variety of concepts

## *Direct recruitment/negotiation*

- Lowers barriers to non-traditional and 'street' operators
- Units open much faster: less process, more revenue, jobs
- Targets specific passenger need directly in an otherwise complete program

# UNANTICIPATED DEVELOPMENTS

Fall/Winter 2011



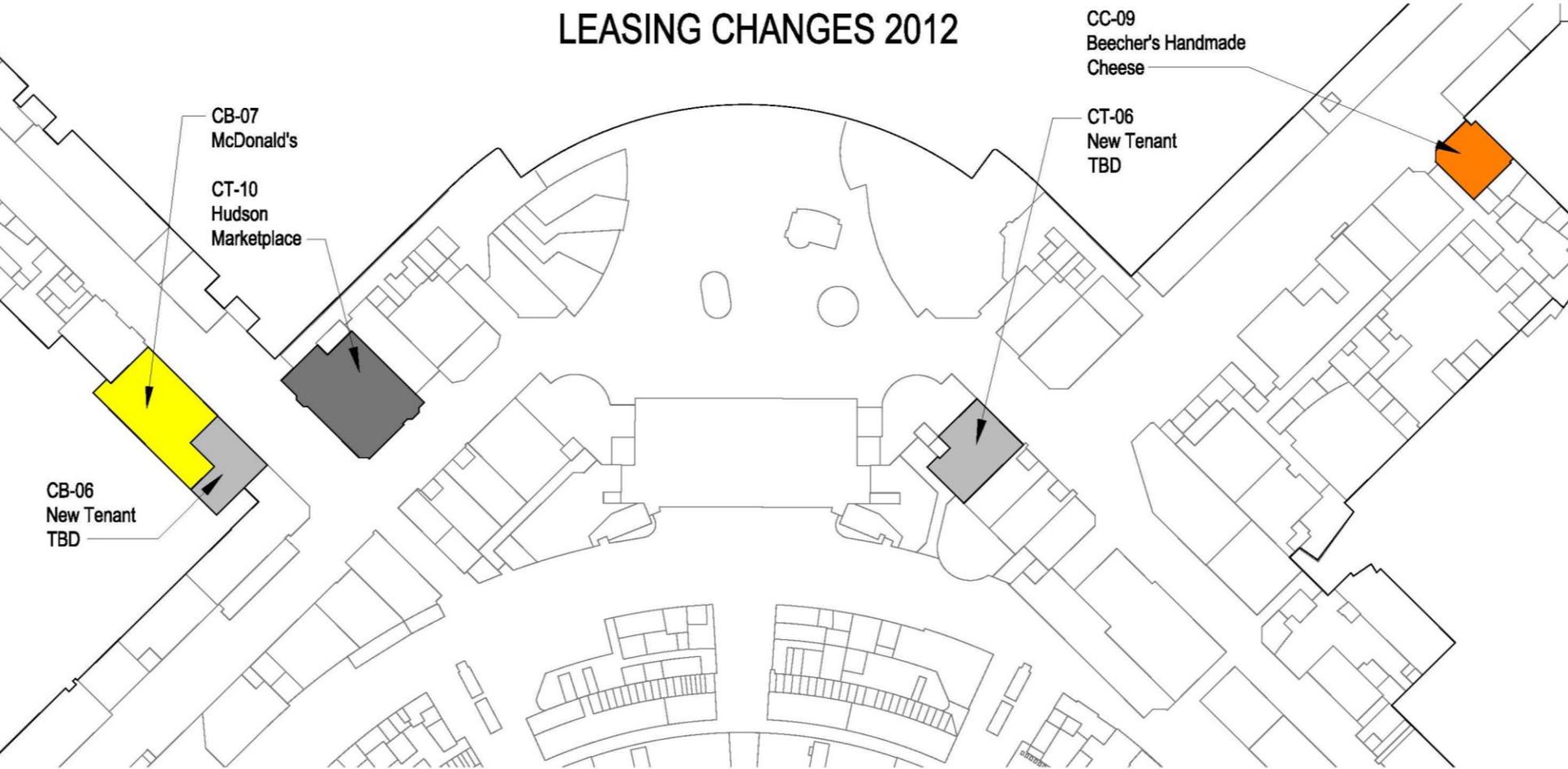
Main Terminal  
Ticketing Level



# New Leasing Opportunities Created

- Hudson Marketplace (CT-10) – December 6, 2011
- Beecher's Handmade Cheese (CC-09) – March 6, 2012
- McDonald's (local franchise) (CB-07) – pending
- Re-Lease of Discover Puget Sound (CT-06) – pending
- Re-Lease of Hudson News (CB-06) – pending

# LEASING CHANGES 2012



CB-06  
New Tenant  
TBD

CB-07  
McDonald's

CT-10  
Hudson  
Marketplace

CC-09  
Beecher's Handmade  
Cheese

CT-06  
New Tenant  
TBD

Main Terminal  
Ticketing Level



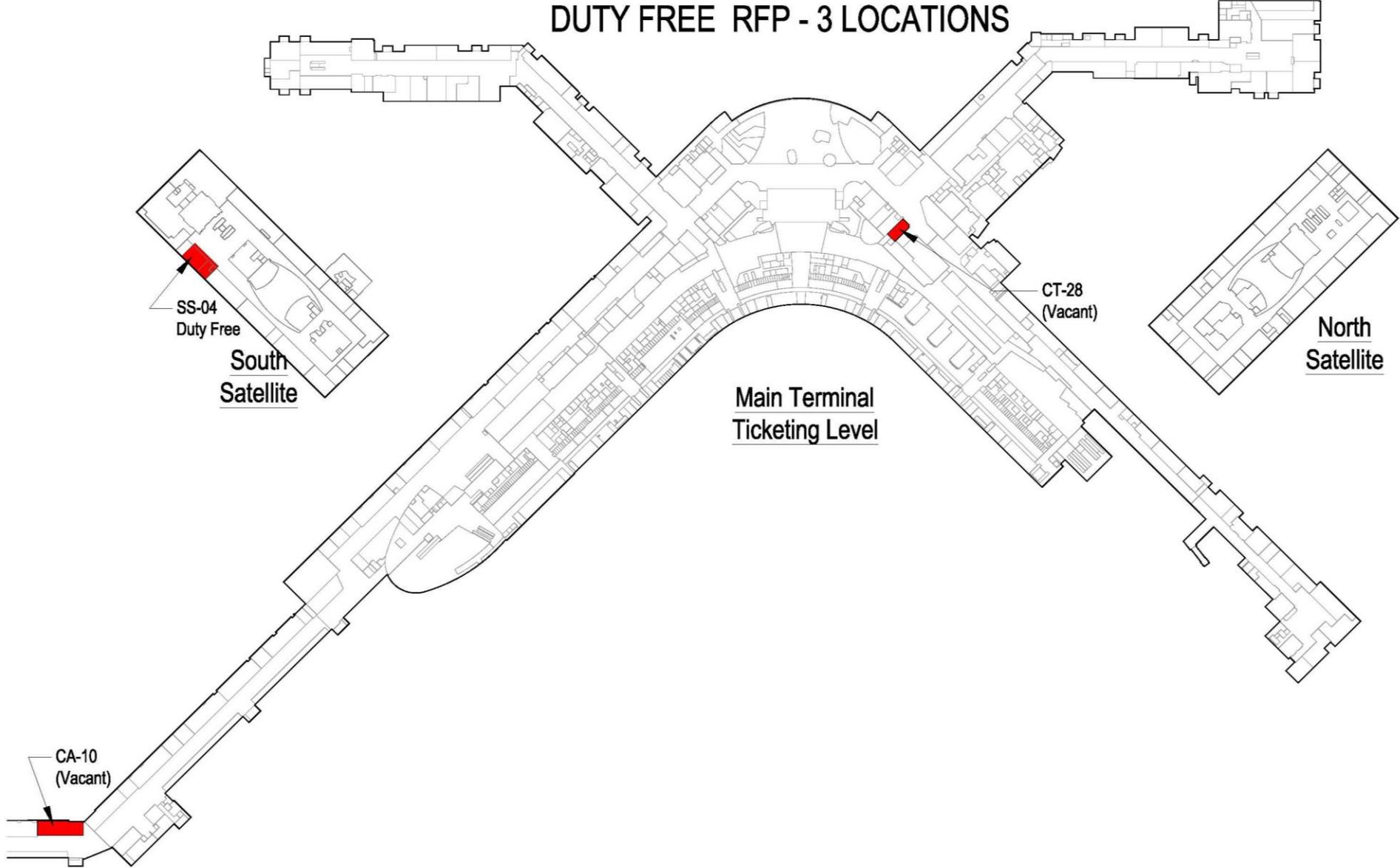
# Interim Leasing Plan 2012-2014

- Complete RFP selection of new duty free operator
- Create a new food & beverage RFP opportunity
- Launch Concessions Entrepreneur Initiative (kiosks for ACDBE or small retailers)
- Lease remaining identified units with leasing agent

# Duty Free Request for Proposals

- Currently operated by Hudson Retail on short-term agreement
- RFP withdrawn in 2010
- Realignment drives need for new locations
- Construction of new duty free shell this fall
- Must execute lease with new operator by mid-August

# DUTY FREE RFP - 3 LOCATIONS



SS-04  
Duty Free

South  
Satellite

CT-28  
(Vacant)

North  
Satellite

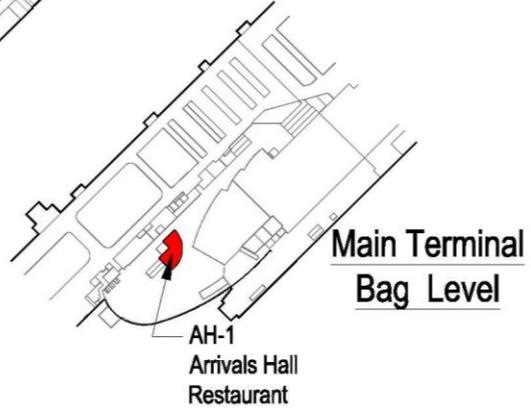
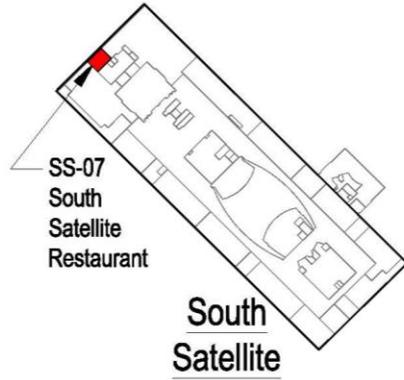
Main Terminal  
Ticketing Level

CA-10  
(Vacant)

# Food & Beverage Request for Proposals

- RFP targeted to multi-unit operator
- South Satellite full-service restaurant (SS-07)
- Arrivals Hall full-service restaurant (AH-01)
- Concourse A quick-serve restaurant (CA-15A)

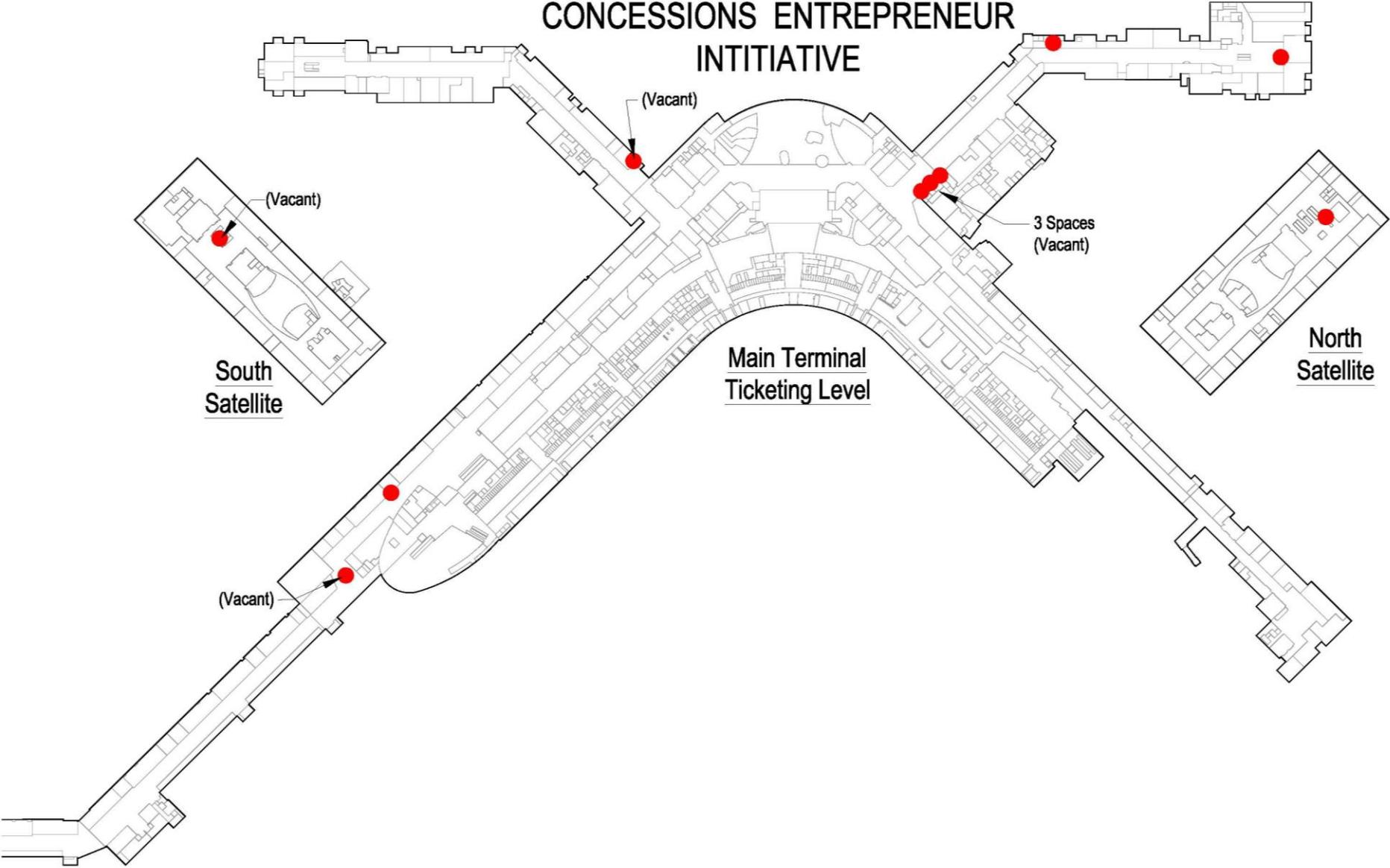
# FOOD & BEVERAGE RFP - 3 LOCATIONS



# Concessions Entrepreneur Initiative

- Ten kiosk locations airport-wide
- Infrastructure installed in 2009-2010
- Development of selection criteria in progress
- Intended for local, small and/or ACDBE retailers
- Established ACDBEs as mentors

# CONCESSIONS ENTREPRENEUR INITIATIVE



(Vacant)

(Vacant)

3 Spaces  
(Vacant)

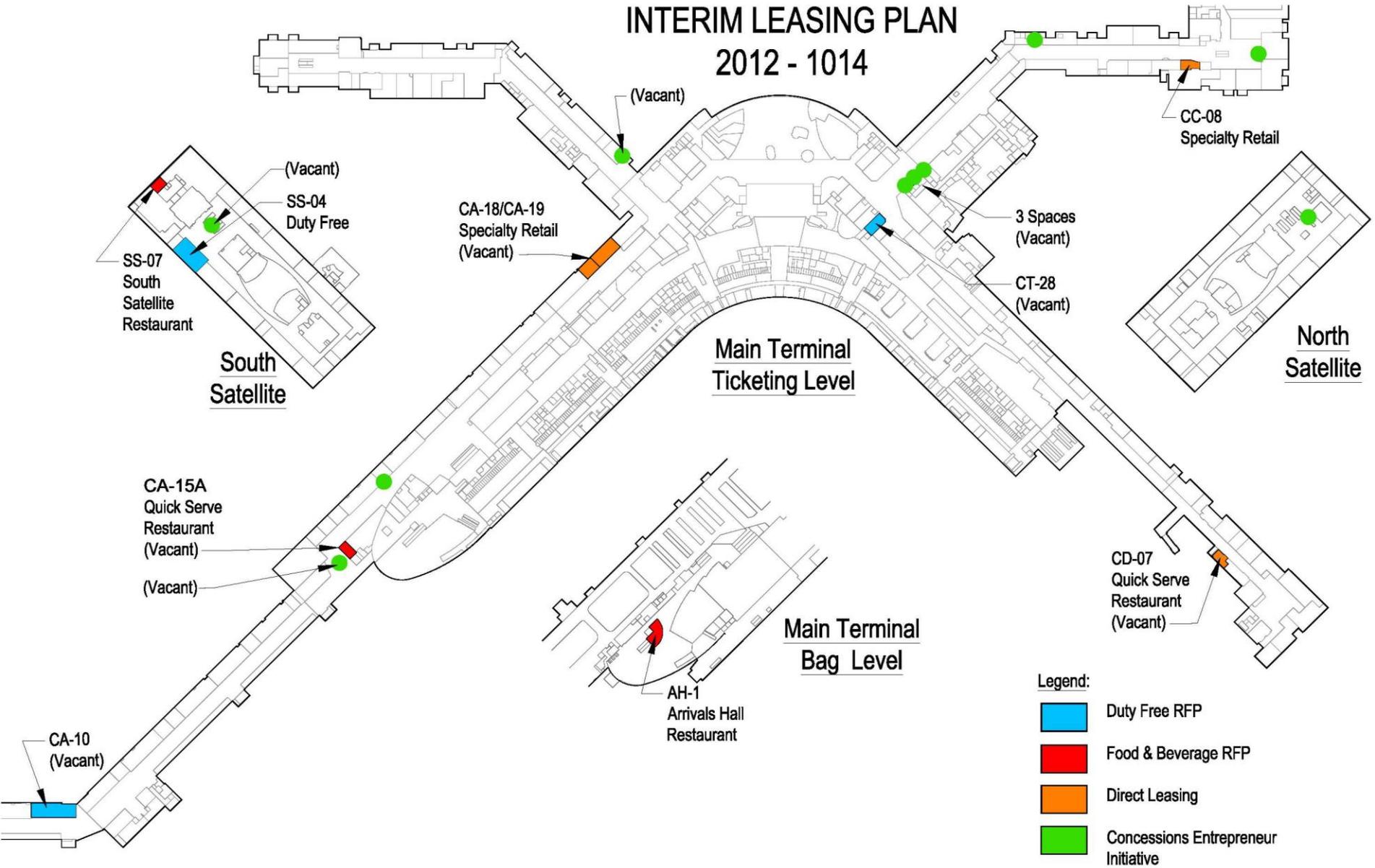
South  
Satellite

Main Terminal  
Ticketing Level

North  
Satellite

(Vacant)

# INTERIM LEASING PLAN 2012 - 1014



- Legend:**
- Duty Free RFP
  - Food & Beverage RFP
  - Direct Leasing
  - Concessions Entrepreneur Initiative