

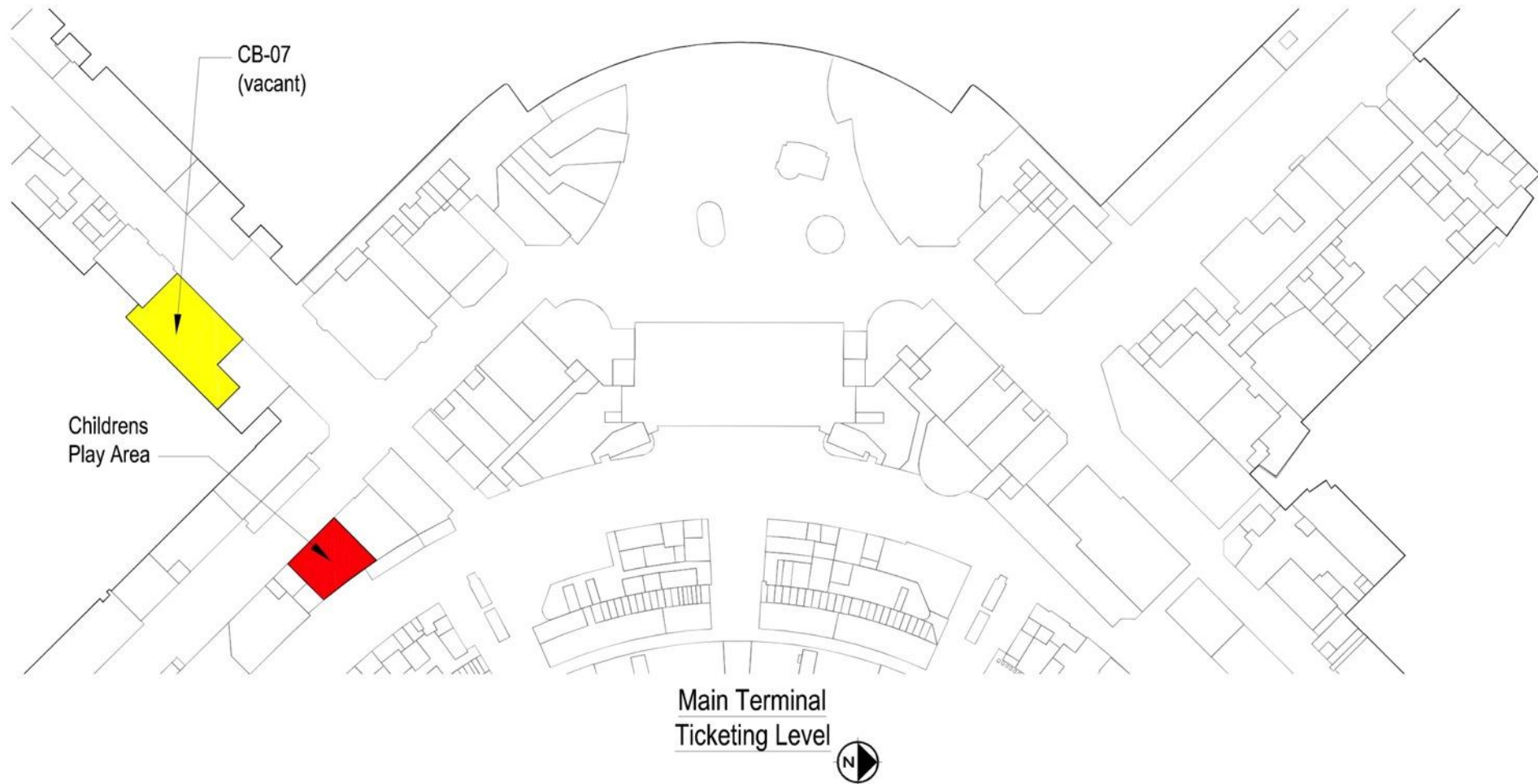
Item Number: 6a_Supp
Date of Meeting: June 5, 2012

New Quick Serve Restaurant Concourse B Seattle-Tacoma International Airport



SEATTLE-TACOMA INTERNATIONAL AIRPORT

Central Terminal: Stretching food service capacity



McDonald's – Concourse B



- Local Franchisee , Bob & Kay Comiskey
- Employment for 60
- Seating for 40 patrons



Proposed Terms

Projected Sales: \$3.5 million

Tiered rent: 9-13%

Guaranteed MAG: \$280,000

Projected Port Revenues:
\$323,000

12-year lease, franchised to
local operator

Investment: \$2 million by
McDonald's USA/local
operator

Summary of Opportunity

- McDonald's is the most requested concept by travelers
- Wendy's beating sales forecasts by nearly 110% since 2005
- Airline realignment will bring new enplanements to the main terminal
- Relief for overcrowding in Central Terminal, loss of sales to "walk offs"
- Lower price point appeals to the 25% of travelers* who make no purchase
- Another workday option for airport employees
- Unmatched level of investment for a quick-serve restaurant location
- Proximity to Children's Play Area
- Qualified local, small business franchisee with McDonald's corporate support

* Sea-Tac 2006 Enplanement Survey

Additional Efforts to Validate McDonald's Proposal

- Analysis of new passenger survey data
 - Quantified potential for new sales capture
- Completed 'Request for Interest' process
 - Solicited interest from both national and local hamburger operators
- Completed New Financial Analysis
 - Estimated Sales Potential for McDonald's
 - Estimated Effect of Additional Competition

Request for Interest: National Hamburger Concepts

Market Strength – Top 10 National Concepts	National	Local	Airport
McDonald's	14,000	144	31
Burger King	7,750	62	47
Wendy's	6,576	42	35
Dairy Queen	5,050	54	1
Sonic (drive-in)	3,500	3	1
Jack-n-the Box	2,200	85	0
Hardee's	1,687	0	0
Carl's Jr	1,104	6	1
Checkers	800	1	1
Five Guys	735	8	4

Potential Impacts & Benefits

Central Terminal:

- Central Terminal quick-serve restaurants remain competitive
- Reduce lines for service, lack of seating capacity
- Accommodate current and future demand

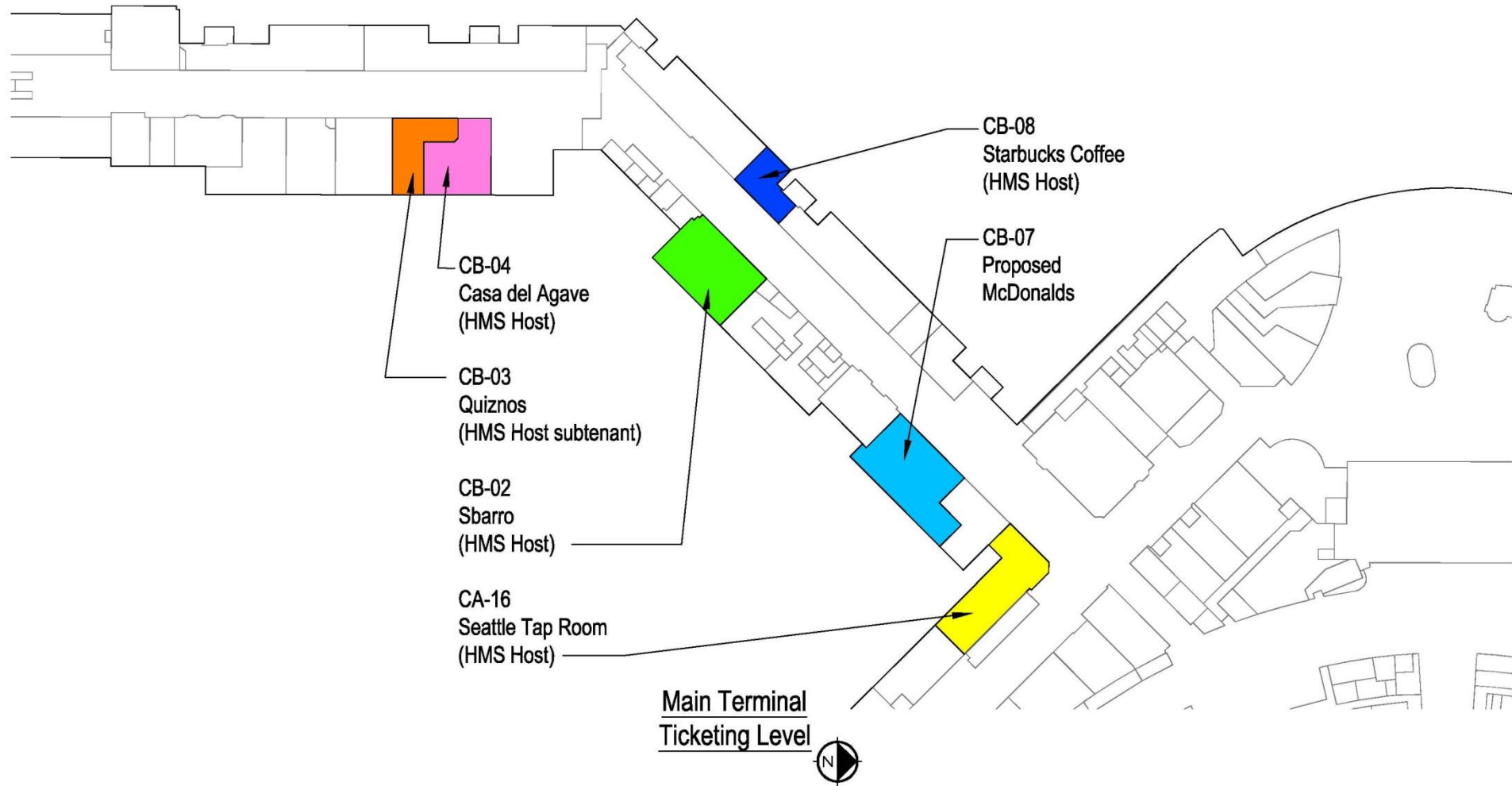
Concourse B:

- Restaurants serving alcohol experience no impact
- Quick-serve competition will be significant , must become more competitive to control loss of sales
- Quiznos Subs will be more competitive than Sbarro

Overall Benefits:

- Provide a desired choice for travelers
- Capture new sales from previous non-customers
- New local small business operator
- Net gain in employees
- Net increase in sales and rent to the Port

Competition for Concourse B Quick-Serve



Airport Efforts for All Concessionaires

