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#### COMMISSION

AGENDA MEMORANDUM Item No. 11a

BRIEFING ITEM Date of Meeting November 14, 2023

DATE: October 27, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Jeff Wolf, Director, Aviation Commercial Management

Khalia Moore, Senior Manager, Airport Dining and Retail

SUBJECT: ADR Program Briefing

#### EXECUTIVE SUMMARY

The continued redevelopment of the Airport Dining and Retail (ADR) Program offers an excellent opportunity to advance the Port's Century Agenda goals by enhancing the Airport's profile as the preferred gateway to the Pacific Northwest by promoting job growth, creating new opportunities for small, local, and disadvantage businesses, and meeting the expectations of the traveling public for quality food service, retail products, and personal services.

The ADR program is an important element of the Port's ongoing efforts to provide outstanding customer service and improve the traveling experience. In addition, the businesses generate significant revenue that is reinvested to support airport operations and capital improvements. Starting in 2014, ADR underwent a master planning effort and continues to be in a state of implementation of that ADR master plan.

This briefing is to provide Commission with an update on the implementation of the ADR Master Plan, Lessons Learned through the master planning effort and from the previous request for proposal (RFP's) processes. This briefing will also review the new ADR locations that are being constructed as part of the Concourse C Expansion (CCE) Project to be released for concessions bidding opportunities at SEA. This upcoming RFP will also include multiple locations in the area surrounding the Concourse C Expansion. Port staff intends to return to Commission in public session on December 12 to seek authorization for the CCE ADR RFP release and corresponding contract executions.

Master Plan and Lessons Learned:

- Status of the ADR Master Plan
- Lessons learned with master planning effort
- Lessons learned in RFP process
- ADR process improvements to the RFP process

Template revised April 12, 2018.

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#### Concourse C RFP

The CCE project is the latest and one of the last projects at SEA to add new ADR locations into the overall ADR program. The approval of these proposed RFP opportunities continues to support the Port's Century Agenda to create 100,000 new jobs and provide opportunities for small, local, and disadvantaged businesses.

The RFP bidding opportunities will be comprised of both single unit and multi-unit packages with a total of 13 new locations, of which seven (7) will be food and beverage and six (6) will be retail. There will be at least two (2) locations specifically identified for small business proposals only. Currently, all locations are designated as open concept categories to allow for greater variety of proposals and staff is still evaluating concept specific needs on a space-by-space basis.

Proposed Business Terms:

- (1) Food and Beverage: 12 years
- (2) Retail: 10 years

There are multiple locations within the CCE project that are not a part of this RFP release as there are extenuating circumstances regarding the leasing of those locations which include:

- six (6) introductory kiosk locations, which have a limited contract term and
- space CC-29, which is allocated as a contractually required replacement space for an existing ADR tenant displacement.

#### ADDITIONAL BACKGROUND

The additional 13 units will provide an increase in new non-aeronautical revenue at SEA estimated to range from approximately \$15 - \$20 million per year depending on final selection

of tenants, lease terms, and passenger demand.

ATTACHMENTS TO THIS BRIEFING

(1) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 24, 2023– Concourse C and Concourse A Termination Agreements

Template revised September 22, 2016.