

Item No. 10a supp  
Date of Meeting: 9/24/2024

# Authorization to Execute Tenant Marketing Fund Contracts

Jeff Wolf, Director, Aviation Commercial Management

Khalia Moore, Assistant Director, Airport Dining & Retail



# Action Requested

Request Commission authorization for the Executive Director:

- 1) to execute multiple contracts over the next ten (10) years all in support of the Airport Dining and Retail (ADR) program including:
  - In-Terminal Entertainment and Cultural Connection Activations
  - Sounds of SEA Music Program
  - Marketing and Advertising
  - Mobile Ordering Platform along with the associated hardware
  - Concessionaire Supplemental Expenditures/Contracts
- 2) to approve funding for the above-mentioned contracts from the combination of the ADR Tenant Marketing Fund (TMF) and Port funding through the Airport Development Fund (ADF).

# History of the Tenant Marketing Fund

- In 2004, the Port ended the master concessions contract with Host generating opportunities for new businesses to operate dining and retail businesses at SEA.
- The Tenant Marketing Fund (TMF) at SEA was established by the Port and the ADR tenants in 2005 for the purpose of promoting the quality and variety of products and services available from the new dining and retail tenants.
- ADR tenant marketing programs have become standard practice in airports across the country.

# Tenant Marketing Fund Program Details

- ADR tenants pay into the Tenant Marketing Fund (TMF) per the terms of their Lease and Concessions Agreement.
  - **Non-Incubator Locations** contributes 0.5% of gross monthly sales per unit, but no more than \$30,000 annually;
  - **Intermediate Incubator (formerly known as kiosk) Locations** contributes 0.25% of gross monthly sales but no more than \$15,000 annually;
  - **Introductory Incubator (formerly known as kiosk) Locations** contributes a one-time fee of \$250 into the TMF.
- Combined ADR tenant average annual contribution into the TMF: \$2M- \$3M
- The marketing program revenues and expenditures are managed by the ADR staff within the Aviation Commercial Management Department.
  - Annual allocations of the TMF are reviewed by regular meetings with the ADR Tenant Marketing Committee.

# Key Components of Programmatic Marketing

- Drives awareness to the entirety of the program in a holistic way.
- Synergy for marketing communications across various platforms.
- Programmatic marketing provides equitable marketing opportunities for businesses of all sizes and types.
- Ensures messaging is aligned with the established ADR program brand.

# Industry Recognition



- Best Commercial Management Team
- Best Arrivals Experience-SEA Music Program
- Excellence in Communications-Marketing Campaign
- Excellence in Communications-Radio Advertising
- Best Concessions Program Design

# In-Terminal Entertainment & Cultural Activations



# In-Terminal Entertainment & Cultural Activations

- **Contract duration:** up to ten (10) years authorized, with individual contracts up to five (5) years.
- **Contract value:** up to \$600,000 annually.
- Contract opportunity for WMBE/Small Business participation.
  - \*There is a 2025 budget request to share the contract cost between the Port and the ADR Tenant Marketing Fund.
- **Funding:** currently 100% from the TMF (in the future it may also be Port funded depending on budget authorization)

# Sounds of SEA Music Program



# Sounds of SEA Music Program


- **Contract duration:** up to ten (10) years authorized, with individual contracts up to five (5) years.
- **Contract value:** up to \$700,000 annually.
- **Funding:** shared cost with 50% funded by ADR TMF (up to \$350,000 per year) and 50% by the Port (up to \$350,000 per year).

# Marketing and Advertising

**SOMETHING IS  
ALWAYS BREWING  
AT SEA**

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Beecher's Handmade  
Cheese  
Caffe D'arte  
Caffe Ladro at  
Capitol Hill Food Hall  
Camden Food Co.  
Dilettante Mocha Café  
Floret by Café Flora  
La Pisa Café  
Peet's Coffee  
Starbucks  
Starbucks Evenings



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GLOBALLY LOVED  
AT SEA**

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Elliott Bay Book Company  
ExOfficio  
Fireworks  
Made in Washington  
Planewear  
Sacred Circle Gift Shop  
Seattle Chocolate  
Seattle Made  
SUB POP



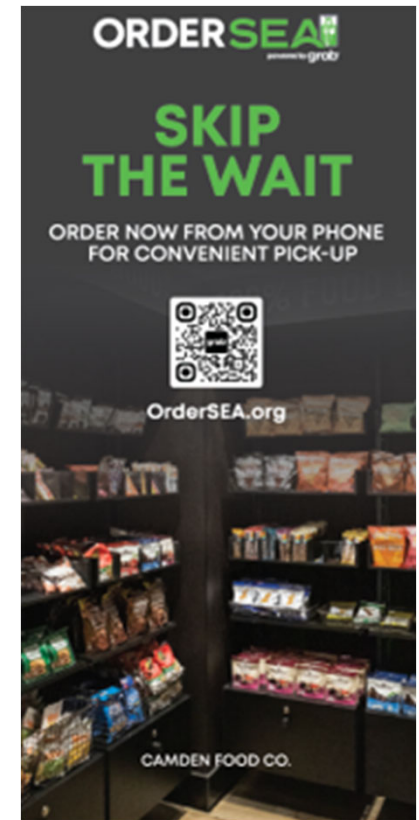
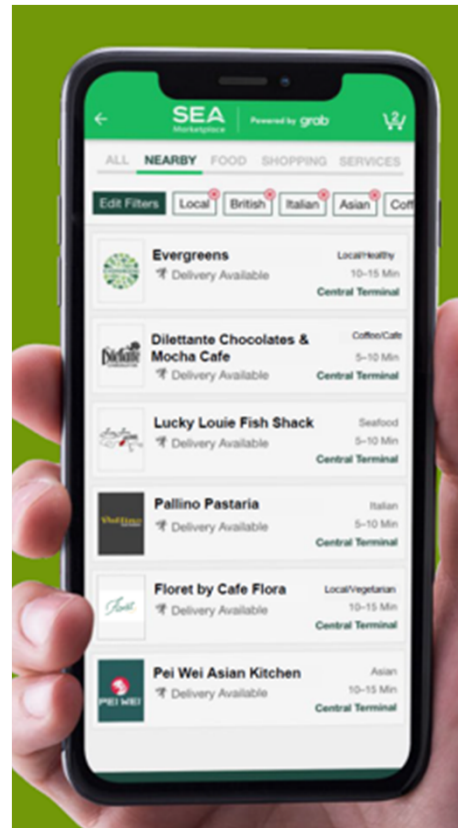
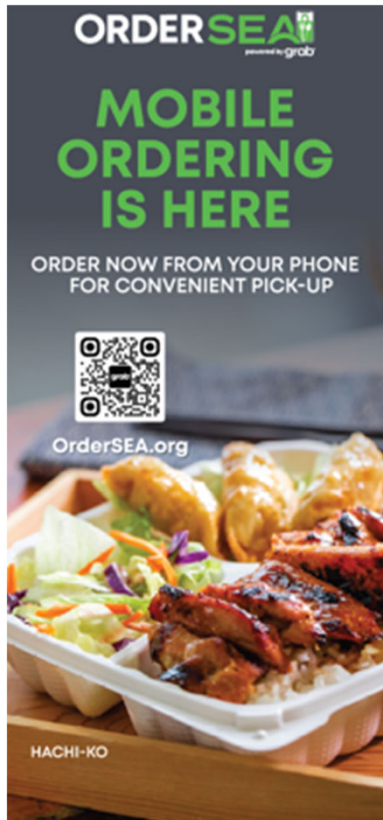
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# Marketing and Advertising

- **Contract duration:** up to ten (10) years authorized, with most individual contracts 1-2 years.
- **Contract value:** Up to \$1,250,000 annually.
- ADR staff will administer the contract and will work with ADR Tenant Marketing Committee, ADR Marketing Consultant, and other Port staff (when applicable) for marketing and advertising campaign creations.
- **Funding:** 100% from the TMF.

# Mobile Ordering Platform



# Mobile Ordering Platform

- **Contract duration:** up to ten (10) years authorized, with individual contracts up to two (2) years with a one (1) year option. Limited duration as technology continues to develop.
- **Contract value:** up to \$300,000 annually.
- As this technology continues to evolve, the contract value will be determined based on the capacity of the platform selected.
- Contract opportunity for WMBE/Small Business participation.
- **Funding:** 100% from the TMF.

# Concessionaire Supplemental Expenditures



# Concessionaire Supplemental Expenditures

- **Contract duration:** up to ten (10) years authorized, with most contracts established as limited term purchase orders/contracts for goods and services (typically one-time purchases and not extended length contracts).
- **Contract value:** Up to \$750,000 annually.
- Contract opportunity for WMBE/Small Business participation.
- **Funding:** 100% from TMF.

# Contract Funding Chart

<b>Contracts</b>	<b>Amount Funded by the TMF (10-years)</b>	<b>Amount Funded by the Port (10-years)</b>
In-Terminal Entertainment/ Cultural Activations	Up to \$3,000,000	*(2025 Budget Request) Up to \$3,000,000
Sounds of SEA Music Program	Up to \$3,500,000	Up to \$3,500,000
Marketing and Advertising	Up to \$12,500,000	<b>N/A</b>
Mobile Ordering Platform	Up to \$3,000,000	<b>N/A</b>
Concessionaire Supplemental Expenditures/Contracts	Up to \$7,500,000	<b>N/A</b>
<b>TOTAL</b>	<b>Up to \$29,500,000 over ten (10) years</b>	<b>Up to \$6,500,000 over ten (10) years</b>

**QUESTIONS?**