WHEREAS, on March 7, 2012, the City Council, by Resolution No. 12-0706, authorized a concession contract with a seven-year term for two fast casual/quick serve spaces and a nine-year term for two sit-down spaces, with two one-year renewal options for food and beverage services with Air Star Concessions Ltd, whose name was Dallas Love Field Joint Venture, Ltd at the time and later changed; and

WHEREAS, as of August 18, 2014, Air Star Concessions Ltd opened and was operating three restaurants at Dallas Love Field Airport pursuant to the contract (Whataburger, Campisi's, and Cantina Laredo), with a fourth restaurant (Chili's) due to open on or about October 2014; and

WHEREAS, on August 18, 2014, with the City Manager's consent, Air Star Concessions, Ltd. assigned all of its right, title, and interest in the contract, the "Assigned Premises," and the "Assigned Food and Beverage Location" to Air Star-LTS/Marquis-DAL, LLC., but only with the respect to the construction, development, and operation of a Chili's restaurant business and operations ancillary thereto, which assignment resulted in a separate concession contract with Air Star-LTS/Marquis-DAL, LLC; and

WHEREAS, on August 12, 2015, the City Council, authorized the City Manager to execute the First Amendment to the contract to allow product pricing at street pricing plus ten percent, establish a minimum wage of \$10.37, and remove the shared cost provision of the contract by Resolution No. 15-1335; and

WHEREAS, on November 6, 2018, the City Council, authorized the City Manager to execute the Second Amendment to the contract to add space No. C2086, a bar with limited food service, Dallas Cowboys Club, and a non-contiguous patio for the existing Cantina Laredo restaurant by Resolution No. 18-1483; and

WHEREAS, on November 18, 2020, with the City Manager's consent, Air Star Concessions, Ltd. assigned all of its right, title, and interest in the contract, the "Assigned Premises," and the "Assigned Food and Beverage Location" to Team Joint Venture, LLC, but only with respect to the construction development, and operation of a Dallas Cowboys Club restaurant and bar business and operations ancillary thereto, which assignment resulted in a separate concession contract with Team Joint Venture, LLC; and

WHEREAS, on September 22, 2021, the City Council authorized the City Manager to execute the Third Amendment to the contract to exercise both renewal options and extend the term of the contract by an additional two years by Resolution No. 21-1509; and

WHEREAS, on January 29, 2024, the City Council, authorized the City Manager to execute the Fourth Amendment to the contract to extend the contract for an additional seven years after the expiration of the two additional years added to the term of the contract by the Third Amendment, and increase the street plus 10% pricing to 15% for the sit-down food and beverage location covered by the contract (Cantina Laredo) and 17% for the fast casual/quick serve food and beverage locations covered by the contract (Campisi's Pizza and Whataburger) by Resolution No. 24-0107; and

WHEREAS, Air Star Concessions Ltd. has been an excellent operator, especially during the COVID-19 pandemic, and has continued to serve passengers and airport employees even with reductions in staffing, sales and significantly increased costs; and

WHEREAS, post-COVID recovery progresses but at a significantly higher cost – wages and hiring costs, food costs, delivery fees, and all aspects of operations at the airport have increased the costs of those operations, including capital costs, and as enplanements continue to rise, throughput at the food & beverage outlets must be improved; and

WHEREAS, Air Star Concessions, Ltd. will commit to spending \$4,000,000.00 in capital for a total demo of the Whataburger and Campisi's Pizza units, rebuilding, adding all new equipment, self-ordering kiosk, and queue line tablets, and

WHEREAS, Air Star Concessions, Ltd. will additionally commit to adding staffing and providing training to over 100 employees; and

WHEREAS, the City will reduce the percentage fee under the contract for Whataburger, which is a quick-serve restaurant, from 20% of annual gross revenues from the sale of food and beverages to 13.5%, which is the average percentage fee for all the quick-serve and casual dining units in the airport, to help mitigate Air Star Concessions, Ltd.'s significant additional capital and operational investments; and

WHEREAS, the effect of the reduced percentage fee on the city's revenue will be mitigated by projected additional annual sales of \$2,000,000.00 due to the demolition, rebranding, new and more efficient equipment, additions to staffing, and training.

Now, Therefore,

BE RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the City Manager is hereby authorized to execute the Fifth Amendment to the concession contract with Air Star Concessions, Ltd. (Cantina Laredo, Campisi's Pizza, Whataburger), approved as to form by the City Attorney, for food and beverage concession services at Dallas Love Field Airport to (1) require an additional capital investment by Air Star Concessions Ltd. of \$4,000,000.00 into Campisi's Pizza and Whataburger, and (2) reduce the current percentage fee for Whataburger from 20% of annual gross revenues from the sale of food and beverages to 13.5%, with an estimated foregone revenue of \$4,200,000.00 over 7 years.

SECTION 2. That the Chief Financial Officer is hereby authorized to deposit all revenues received from Air Star Concessions, Ltd. pursuant to this contract in the Aviation Fund, Fund 0130, Department AVI, Unit 7725, Revenue Code 7811.

SECTION 3. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly resolved.