



Legislation Text

File #: 21-1471, **Version:** 1

STRATEGIC PRIORITY: Mobility Solutions, Infrastructure, and Sustainability

AGENDA DATE: September 22, 2021

COUNCIL DISTRICT(S): 2

DEPARTMENT: Department of Aviation

EXECUTIVE: Majed Al-Ghafry

SUBJECT

Authorize a Third Amendment to the concession contract with Hudson Retail Dallas JV, a Dallas Love Field Retail concession contract to add two extension years to the contract - Estimated Revenue: Aviation Fund \$1,804,536.00

BACKGROUND

Hudson Retail Dallas JV, pursuant to council Resolution No.12-0707 was awarded a retail concession contract for the construction, management, and operation of six newsstand and specialty retail units. The Contract's Primary Term commenced November 1, 2014 for all units, with a Contract Primary Term expiration of October 31, 2021. On August 12, 2015, City Council authorized the first amendment to the Contract by Resolution No. 15-1335 to allow street plus 10% pricing, \$10.37 per hour minimum wage rate and waived the shared costs provision for food court cleaning, third party inspection and deliveries and trash removal. On October 24, 2018, City Council authorized the Second Amendment to the contract by Resolution 18-1486 to exercise both one-year renewal terms, reallocate the minimum annual guarantee between two Hudson contracts and surrendered one retail unit to the City.

In addition, based on the concession's excellent operation throughout the Primary Term, but especially during the COVID-19 pandemic when airline traffic was significantly reduced, with drastic staffing reductions and sales lost, concessionaire continued operations to service passengers and airport employees in a very trying climate. The Department of Aviation seeks to add two extension years to the Contract, allowing concessionaire to recover and re-establish a profitable position at Dallas Love Field.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On March 7, 2012, City Council authorized the food and beverage contract with Air Star Concession Ltd (formerly Dallas Love Field Joint Venture Ltd.) by Resolution No. 12-0707.

On August 12, 2015, City Council authorized the First Amendment to the concession contract with Air Star Concession Ltd. to allow street plus ten percent pricing, \$10.37 per hour minimum wage rate and waived the shared costs provision for food court cleaning, third party inspection and deliveries and trash removal by Resolution No. 15-1335.

On October 24, 2018, City Council authorized the second amendment to the retail concession contract with Hudson Retail Dallas JV to exercise both one-year Renewal Terms and reallocate the minimum annual guarantee between two Hudson contracts by Resolution No. 18-1486.

FISCAL INFORMATION

Estimated Revenue: Aviation Fund \$1,804,536.00

OWNER

Hudson Retail Dallas JV

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