AUSTIN CITY COUNCIL

AGENDA



Recommendation for Council Action

Austin City Council	**Item ID**	18723	**Agenda Number**	9.
Meeting Date:	10/11/2012	**Department:**	Aviation	

Subject

Authorize the negotiation and execution of an amendment to the airport concession lease agreement with HONG XING, INC. to extend the term, add space to the leasehold premises, require renovations, and modify other lease terms for the operation of a Chinese food restaurant, kiosk, and food and wine bar in the Austin-Bergstrom International Airport (ABIA) terminal.

Amount and Source of Funding

N/A Revenue Generating Lease.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	
For More Information:	Stephanie Tucker, 512-530-7507
Boards and Commission Action:	Recommended by the Austin Airport Advisory Commission on September 11, 2012.
MBE / WBE:	This is a certified DBE.
Related Items:	

Additional Backup Information

Hong Xing, Inc. (formerly China Palace) has operated an airport food and beverage concession, Wok an Roll, in the East Food Court area of the Barbara Jordan Terminal since the Austin-Bergstrom International Airport opened in May 1999. Wok & Roll serves primarily Chinese food from a self service buffet, as well as dishes cooked to order. The lease is currently month to month.

Under the proposed amendment, the term of the lease would be extended ending May 30, 2017. Concessionaire will operate an additional location as a kiosk on the west secure side near American Airlines gate serving egg rolls, beverages and other take/go items. The concessionaire will expend approximately $80-100 per square foot in its current location to modernize and renovate the facility, including improved signage.

Concessionaire in joint venture with Taste, Inc. will operate a Vino Volo Wine Bar and Restaurant in a newly identified location near the West Side Food Court.

Under the concession agreement, the concessionaire pays as rent the greater of a minimum annual concession fee or a specified percentage of its gross revenue. Other provisions of the lease will be updated and revised, including such provisions as default remedies.