

Austin City Council Meeting October 13, 2020

Jacqueline Yaft, Chief Executive Officer

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Austin-Bergstrom
International Airport



Agenda



- COVID-19 economic impact to AUS
- AUS concessionaires
- Council Resolution Update
- Partnership between AUS & our concessionaires



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AUS Economic Impact



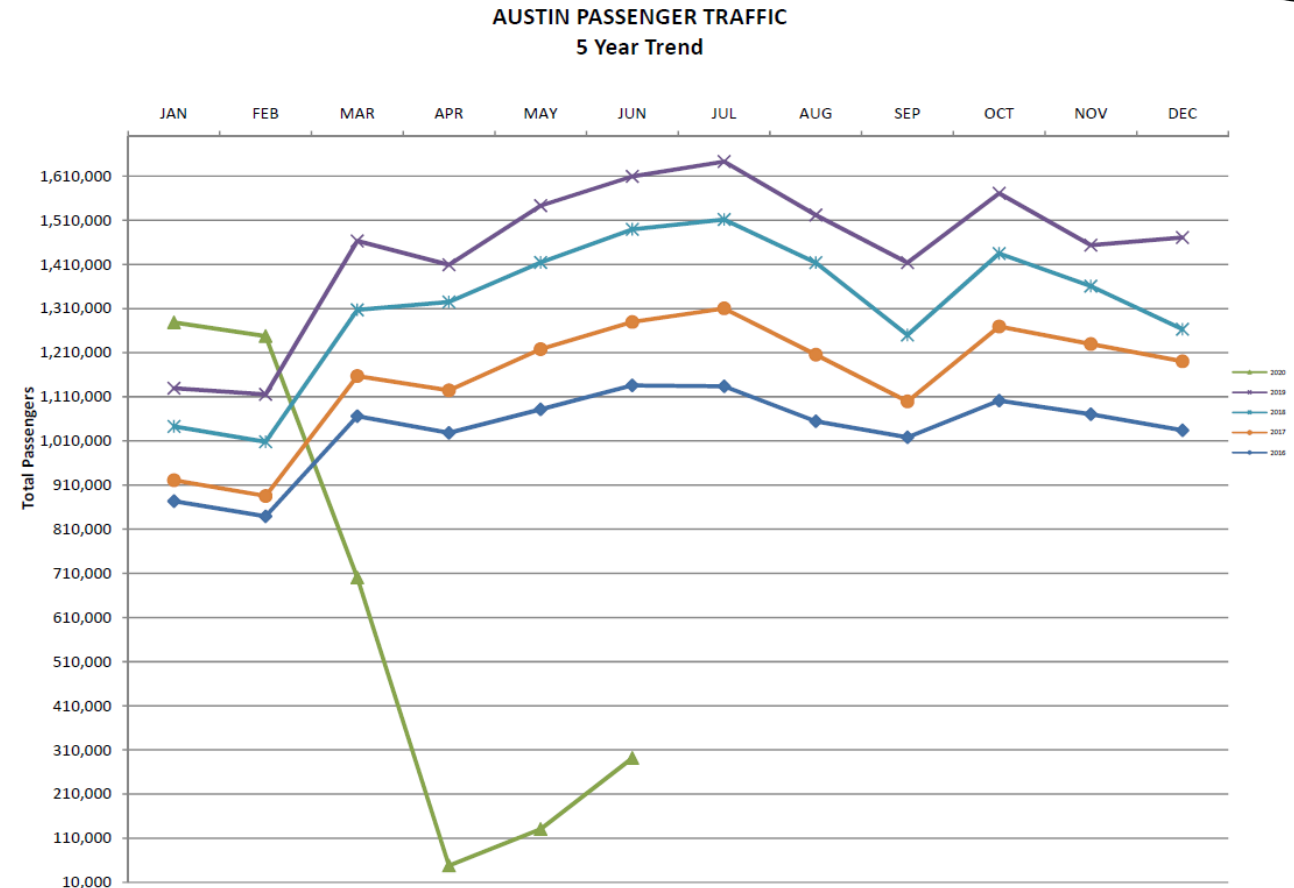
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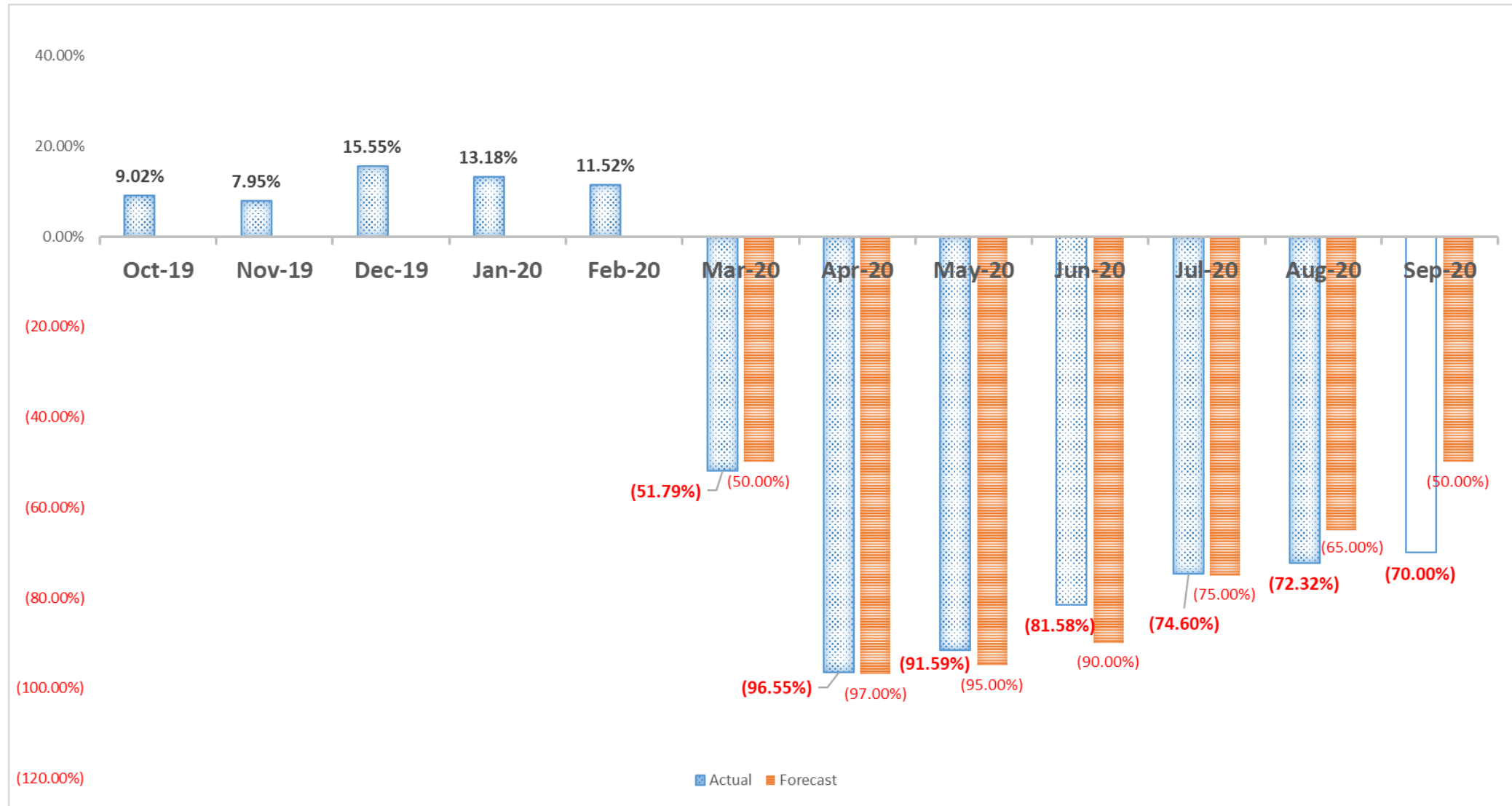
AUS Economic Impact



- AUS is its own enterprise department, generating revenue through airline passengers, parking activity, ground rents, concession fees, and more
- AUS revenue relies on aviation activity, passenger traffic, and financial health of airlines
- In response to significant passenger decline, measures to mitigate financial losses include:
 - Reduced operating expenses to get to “survival budget”
 - Only utilizing contracts that are mission critical

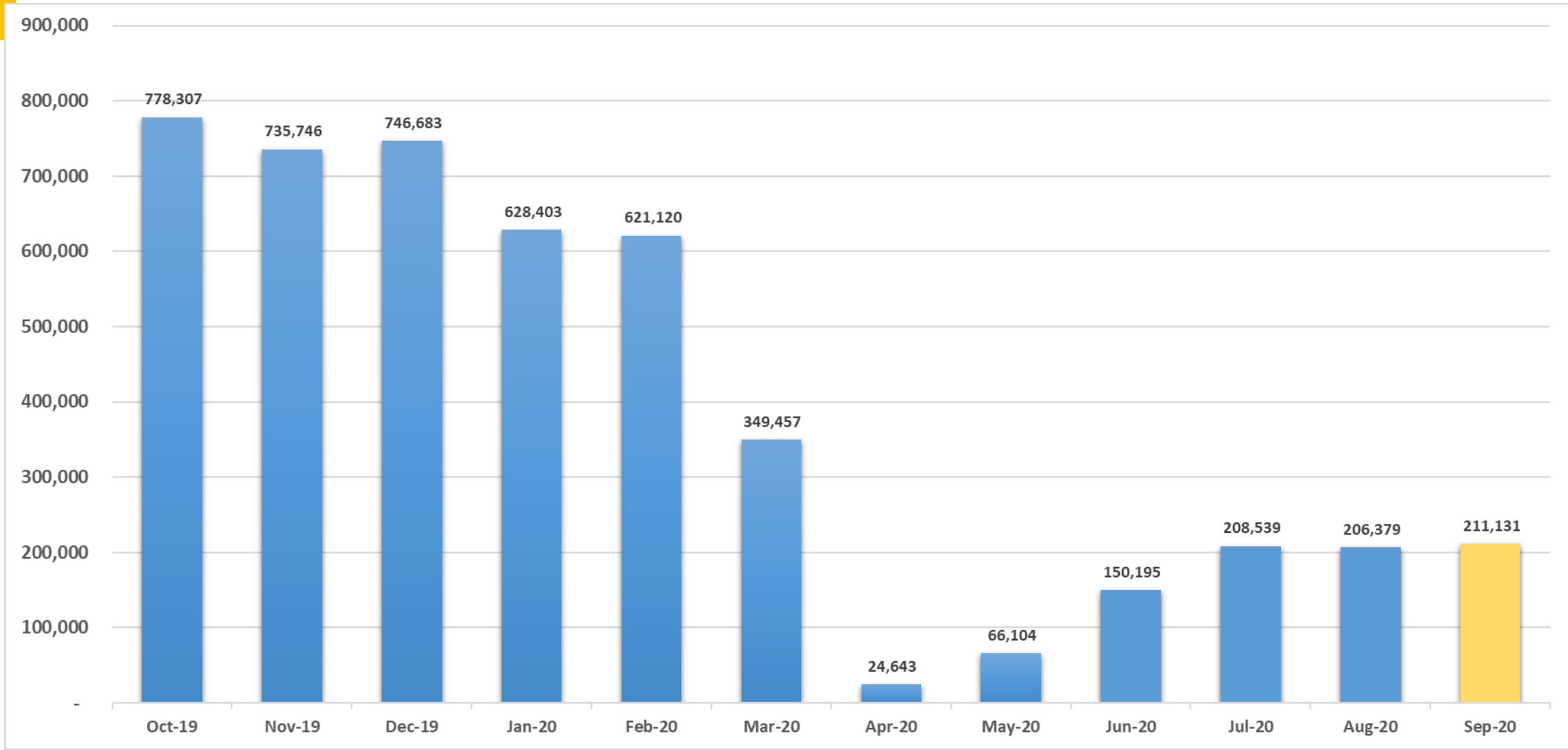


FY20 Passenger Trend



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FY20 Passenger Trend



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AUS Concessions Overview



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“Provide passengers with an authentic food, beverage, and travel retail experience that draws flavor from our diverse community to drive an original experience.”





HMS Host



- ACDBE Partner: D.C. Garrett Group, LLC
- Venues
 - Parkside
 - 24 Diner
 - Jugo
 - Sushi-a-Go-Go
 - Hardee's Fresh Foods
 - Austin Beer Drop
 - Zocalo Cafe
 - Noble Sandwich Co.
 - Starbucks (Concourse Level)
 - Starbucks (Baggage Level)



Delaware North



- ACDBE Partners: M. Scott Roberts, Love Nance, Juan Portillo and Robena Jackson
- Venues
 - Hippie's & Hops
 - Taco Deli
 - Briggo Coffee Kiosk
 - Haymaker's
 - Saxon Pub
 - Earl Campbell's Tacos
 - Jo's Coffee
 - Salt Lick BBQ
 - Jet Set Market
 - Austin Warehouse & Tyler's
 - Book People
 - 5th and Congress
 - Amy's Ice Cream



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Paradies Lagardere



- ACDBE Partners: Rosalind M. Oliphant/Folktales Book Company, Marc A. Rodriguez, Prevost Consulting Group
- Venues
 - 2nd Bar & Kitchen
 - Austin Article
 - Barton Springs (East, West, Express)
 - Departure Lounge
 - CNBC
 - Brighton Collectibles
 - Berry Austin
 - Mad Greens
 - Ruta Maya Coffee
 - Salvation Pizza
 - Scoreboard
 - Thundercloud Subs
 - Vino Volo



AUS Concessions Awards



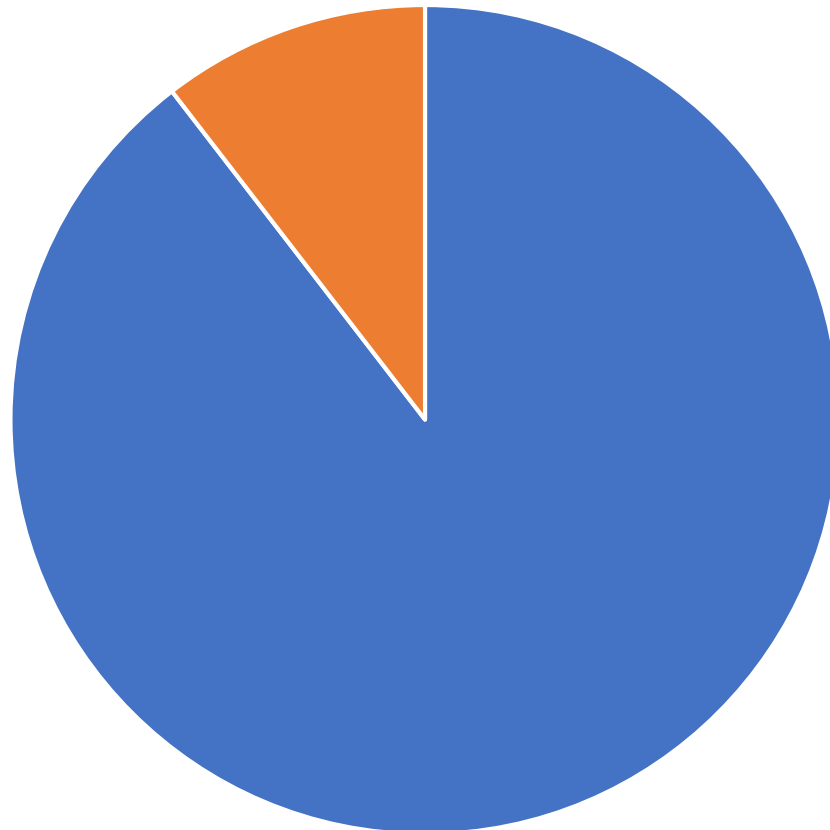
- **Airport Experience News**
 - **2018**
 - Airport with the Best Customer Service
 - Airport with the Best Program Design
 - **2019**
 - Salt Lick BBQ: Best Local-Inspired Store
 - **2020**
 - Airport with the Best Program Design
- **USA Today Reader's Choice**
 - AUS Vino Volo – Best Airport Bar/Restaurant & Wait Staff, 2017



AUS Ecosystem



AUS Badged Employees



■ Total employees ■ Concession employees

- 30,000 to 8,000 daily PAX – 74% reduction
 - 6,000 to 4,700 badged employees – 21% reduction
- Concession employees comprise about 11% of those**
- According to a 2018 TxDOT study, AUS employs 74,000 direct and indirect jobs

Council Resolution Update



- In response to Austin City Council Resolution #20200521-094, AUS was asked to:
 - To convene an Airport Concession Workers Stakeholder Working Group
 - To create and/or develop recommendations for a Right to Return to Work Program
 - To explore options to create federal and bond-compliant incentives to encourage concessionaires to re-hire employees
- The Airport Concession Workers Stakeholder Working Group outcome:
 - All airport concessionaires agreed to administratively implement programs to rehire their furloughed workers and report to AUS
 - Delaware North Company complies through a collective bargaining agreement

Concessionaire Relief Efforts



- AUS initially estimated \$9.5 million in financial relief through rent deferrals, following FAA-mandated nondiscriminatory approach to providing relief
 - Deferred concession fees April, May and June 2020 - \$4.5 million
 - Provided actual \$8.6 million dollars in rent abatement
 - Waiving administrative fees through the end of the year
- Created opportunities for concessionaires to collaborate with Small & Minority Business Resources Department, the Economic Development Department, and the Law Department to assist with:
 - Payroll Protection Program
 - Financial assistance programs as part of the CARES Act
 - Employee Retention Credit
 - SBA Loans

AUS/Concessionaire Partnership



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Concession Closures



- Majority of locations were closed in April, when passengers were down 96.6% YOY
- AUS partnered with concessionaires to allow store closures based on passenger traffic and other operational considerations
 - Ability to close locations on a case-by-case basis
- Individual locations began reopening in May, some fluctuating with passenger traffic increases or decreases



Additional Support



- Robust marketing campaign at no additional cost to concessionaires
 - Ability to view options and order directly through website
 - Social and traditional media
 - Branding campaign throughout AUS, to include signage, vinyl wraps, and more

Questions?

