



Dining & Retail Opportunities

@ San Diego International Airport

Outreach Meeting, June 16, 2022

Meet Amazing @ SAN

- 3rd busiest airport in California
- Served 25 million total passengers in 2019
- 80+% recovered to pre-pandemic enplanement levels
- Remaining growth potential with expansion of airside facilities
- Reflects the vibrancy of the San Diego region



About SDCRAA

SAN DIEGO
COUNTY
REGIONAL
AIRPORT
AUTHORITY

FOCUSED ON OPERATING A WORLD-CLASS AIRPORT

- Formed in 2003 as an independent airport authority
- Governed by an appointed nine-member board representing all corners of the county
- Lead by Kim Becker, CEO and staff responsible for all aspects of airport operations
- Required by the FAA to operate as a self-sustaining enterprise
- The Airport receives federal grants, but **NO** local tax dollars
- Business agreements are approved by the Board after a fair, competitive selection

Concessions Management @ SAN

SAN BUSINESSES HAVE A BUILT-IN SUPPORT NETWORK

- Hampton Brown, VP, Revenue Generation
- Deanna Zachrisson, Director, Revenue Gen. & Partnership Development
- Dominique Sheck, Program Manager, Food & Retail
- Team of professionals experienced in airport business and operations
- Small Business Development staff supporting ACDBE/Small/Local business



Happening @ SAN

WORLD CLASS AIRPORT UNIQUELY LOCAL

Multiple companies operating each multiple units in food & retail

Pandemic delays in renewal of most leases

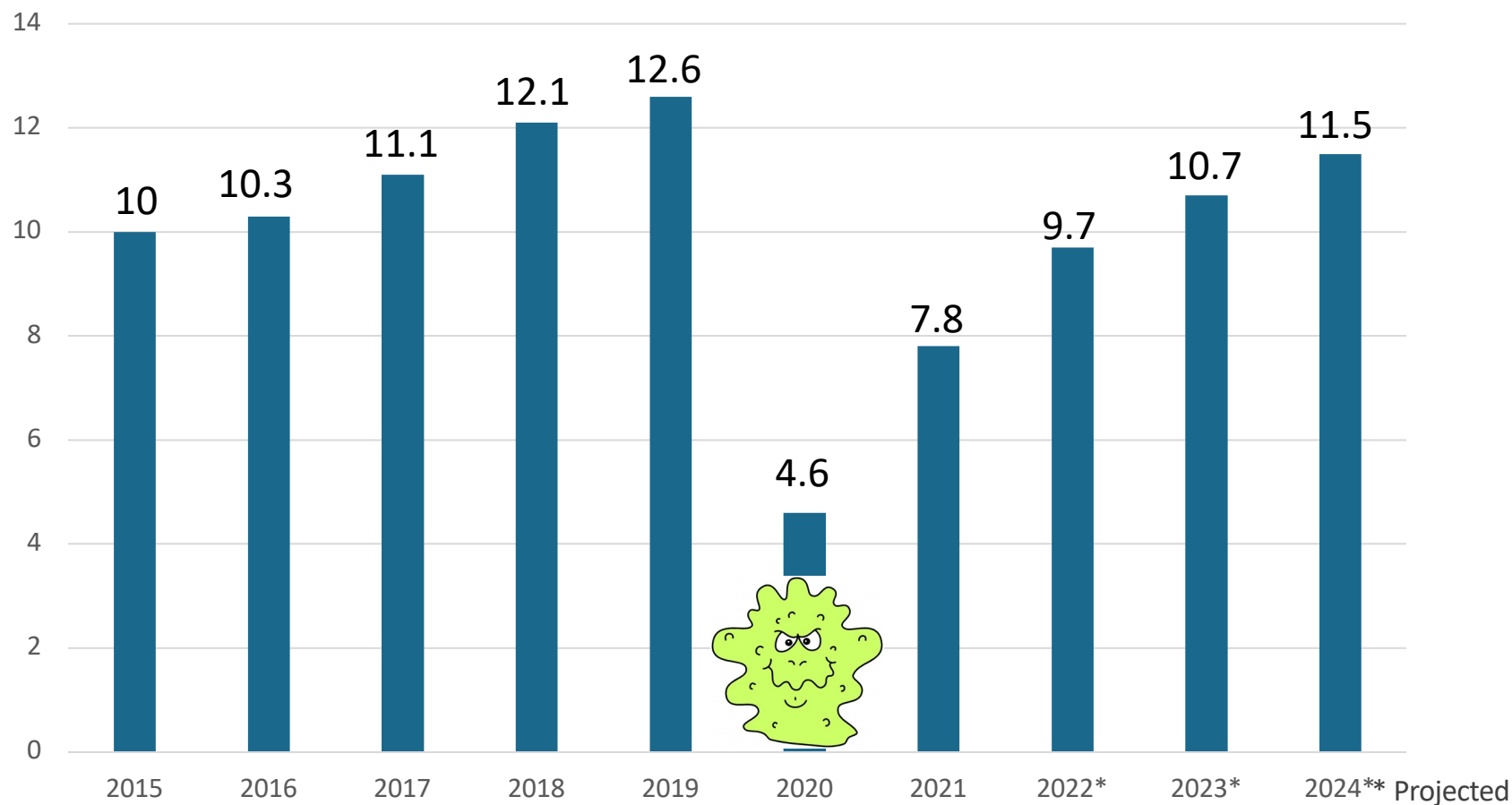
Small businesses participate as:

- Joint venture partners
- Direct lessees
- Subtenants

Phased development and renewal over next several years

Departing Passengers = Your Customers

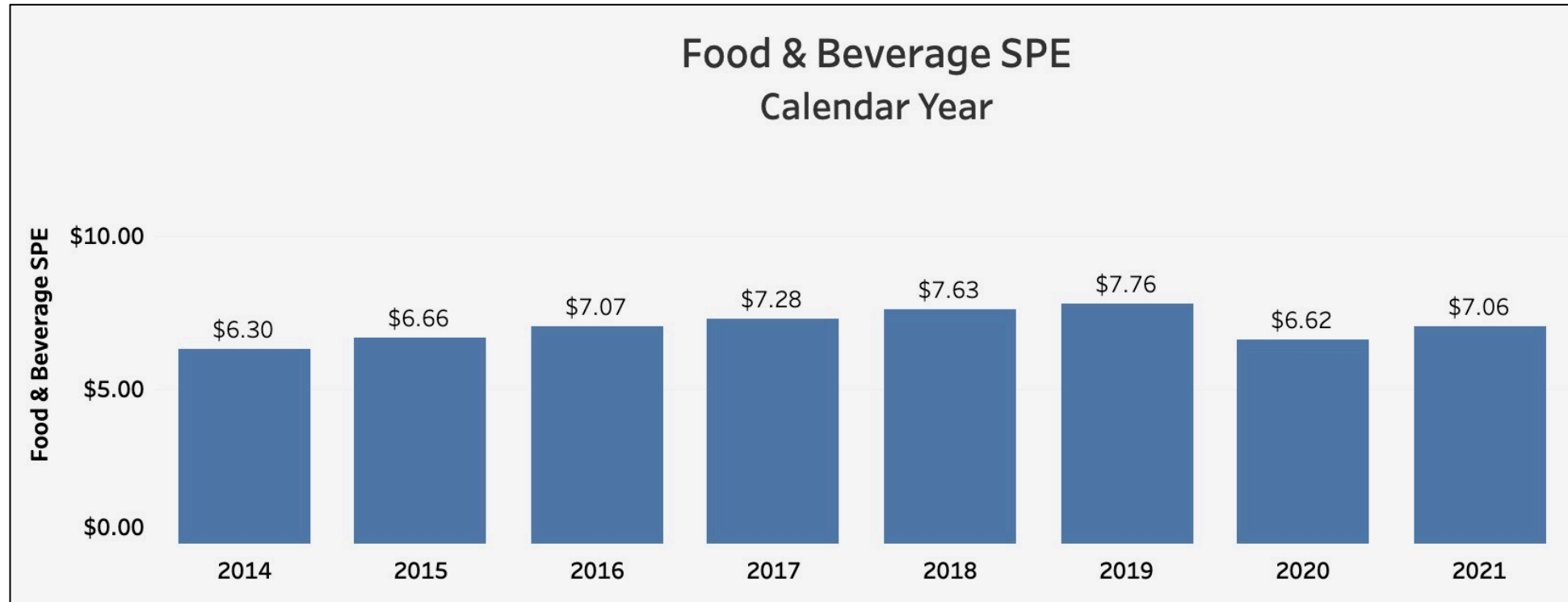
Millions of
Departing
Passengers
AIRPORT-WIDE





Sales per Departing Passenger

HISTORICALLY STRONG SALES





New Terminal 1 Project

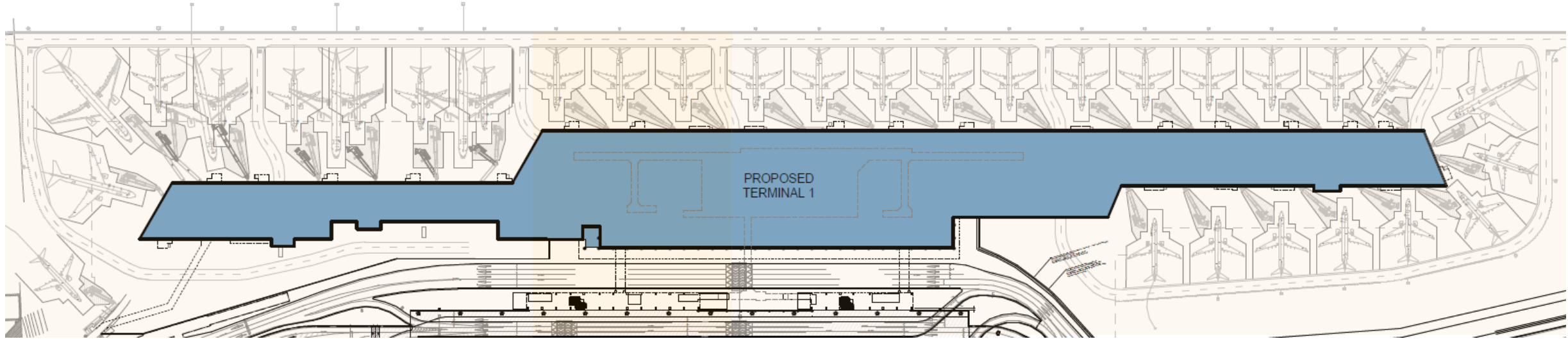
Coming in 2025/27

T1: LANDMARK PROJECT FOR SAN DIEGO

- \$3.4 billion investment in state-of-the-art terminal, road access and parking
- 24 new food & beverage locations
- Balanced program with casual dining/bar, QSR and gourmet coffee
- 10 new news/gift, convenience and specialty retail locations
- Carefully considered retail balance
- Total program ~ 70K square feet



New Terminal 1



3Q 2027

New Gates : 8

Total new T1 Gates: 30

Total Gates Airport-Wide: 62

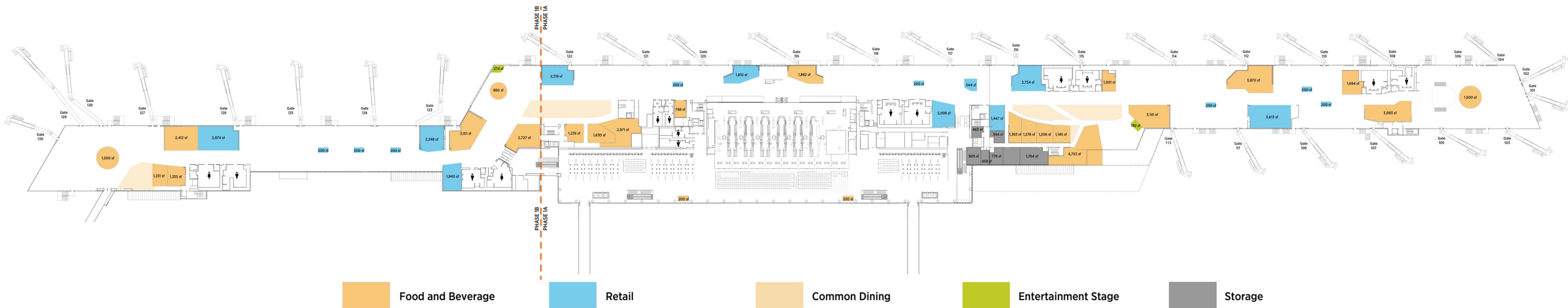
1Q 2026

New Gates: 3

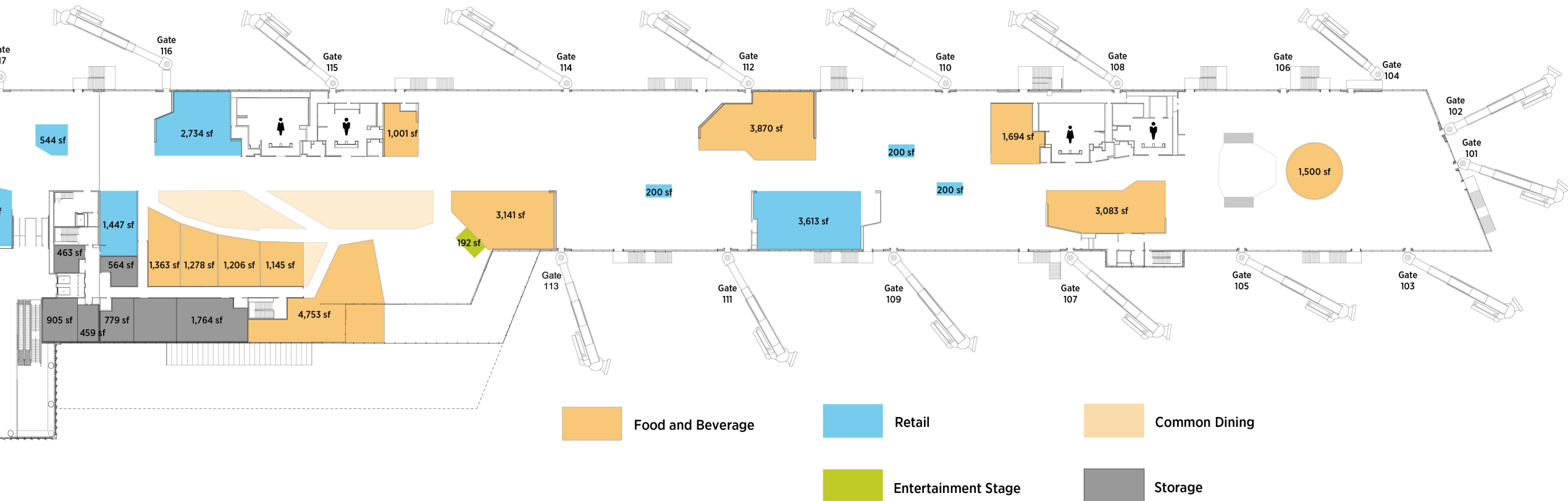
2Q 2025

New Gates: 19

New Terminal 1 – Departure Level

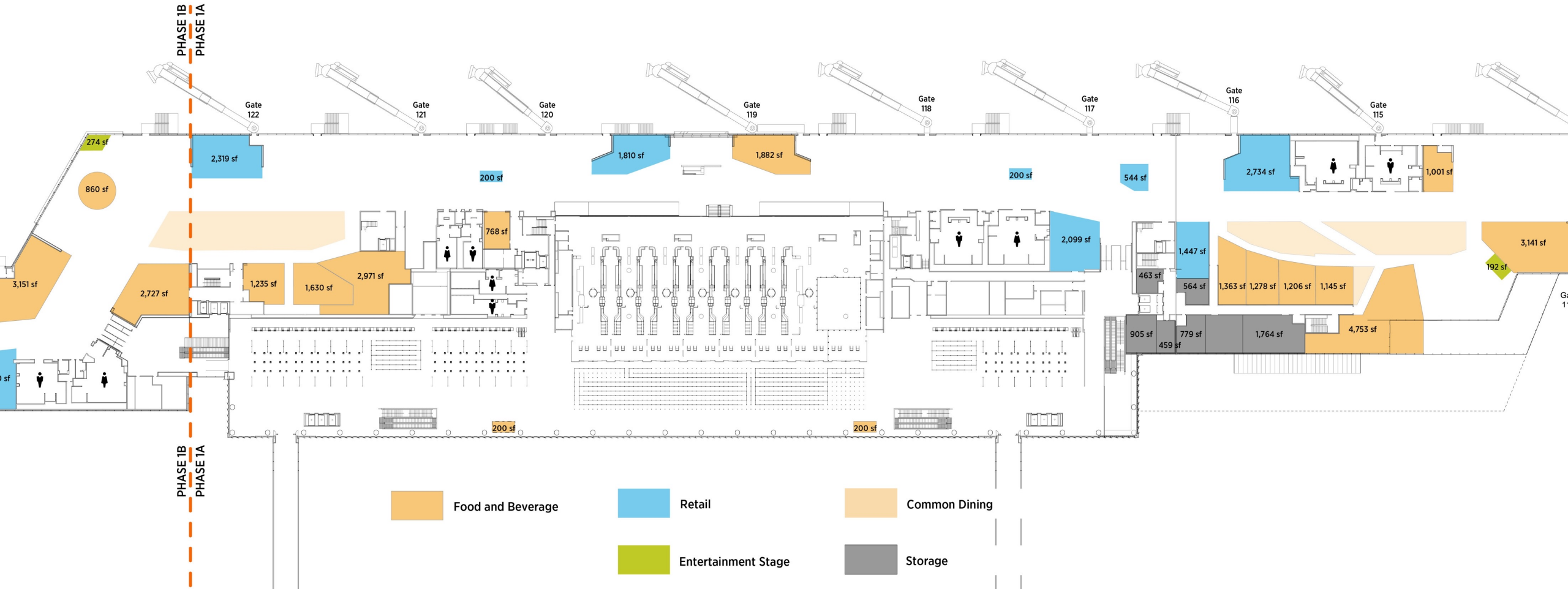


New Terminal 1 -East

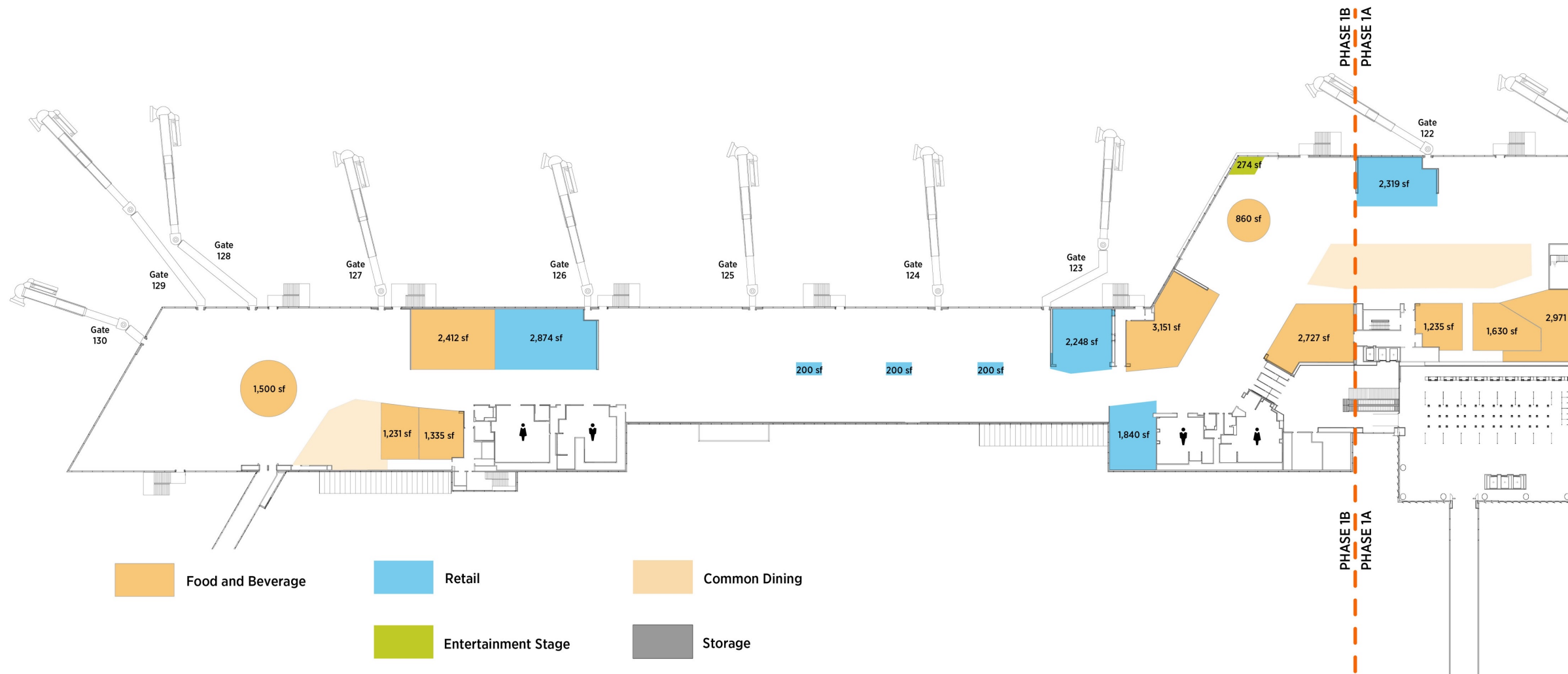


New Terminal 1 – Mid-Concourse

NEW
T1



New Terminal 1 - West



NOTE: Number, location and square footage of concession spaces may change



Your Future @ SAN

Airport Concessions Leasing

APPLES TO ORANGES COMPARED TO THE STREET

- Concessionaires are selected based on competitive proposals
 - Concept/offering
 - Financial Strength
 - Revenue potential
 - Design/construction
- Most units/locations are offered in “packages”
- Leases typically 10+ years, no options to renew
- Rent paid as a percentage of sales, NOT per square foot. No Triple Net
- Lots of additional costs to consider in a proforma – CAM, centralized distribution, pest control, garbage removal, utilities
- Higher than typical labor costs

Opportunities for Business

DIFFERENT WAYS TO PARTICIPATE

- Direct Lessee with Airport Authority
- Joint Venture Partner with Experienced Concessionaire
- Subtenant Lease under Experienced/Larger Concessionaire
- Brand Licensing Agreement

Direct Lessee

POTENTIALLY GREATEST RISK - GREATEST REWARD

- Solely responsible for the investment and operation of the business
- Must submit an independent proposal to the Authority
- Must develop a realistic proforma of expected costs/sales
- Must demonstrate ability of operate in a challenging environment
- Investment/CapEx likely in the range of \$1,500 - \$2,000 square foot
- Assume risks and rewards of independent operations

Joint Venture Partner

MEASURED INVESTMENT - MORE LIMITED RISK

- Certified, small & minority-owned business (ACDBE) preferred
- Opportunity to learn about airport business from an experienced concessionaire
- Concessionaire prepares proposal to the Airport
- Specific partnership of typically 5-15% of initial investment costs
- Required to participate in the operation in the business
- Lots of paperwork! Attorneys! JV agreement, regular audits, meetings
- Important to choose a partner you can trust – scrutinize the deal!
- Become part of a nationwide community of airport JV partners

Subtenant Lease

SIMILAR RISK TO DIRECT LESSEE

- Solely responsible for the investment and operation of the business
- Certified, small & minority-owned business (ACDBE) preferred
- Opportunity to learn about airport business from an experienced concessionaire
- Prime concessionaire submits proposal to Airport
- Opportunities are likely limited, at discretion of prime concessionaire
- Important to choose a partner you can trust – scrutinize the deal!

Brand Licensing Agreement

LEVERAGING A STRONG LOCAL BRAND NAME

- Execution of a local brand concept by an experienced concessionaire
- Responsibility for overseeing faithful execution of concept
- Benefit of brand exposure to a large audience
- Risk of damage to local brand name, if not faithfully executed
- More limited financial risk, licensing fee paid to brand owner
- Important to choose a partner you can trust – scrutinize the deal!

Restaurant & Retail Opportunities

FIVE NEW RFP PACKAGES - TWO DIRECT LEASE LOCATIONS

- Packages developed with balanced investment and sales potential in mind
- Unit locations designed with optimum sight-line focus
- Packaged units carefully balanced between high and moderate traffic areas
- Critical utility needs considered; brought to each location lease line
- Adequate and convenient storage available upon opening

A woman with glasses is pouring a red sauce from a bottle into a glass. The bottle has a label that says "Everything but the Kitchen Sink" and "Master of All Trades". The glass is filled with a red liquid and ice. The background is blurred, showing a warm, yellowish light.

Food Package #1

- Seven locations: east & west concourse
- Approximately 15,600 square feet
- Mix of casual dining, coffee, QSR
- Estimated 1st Year Sales: \$20.6 M

Food Package #2

- Six locations: east & west concourse
- Approximately 13,468 square feet
- Mix of casual dining, coffee, QSR
- Includes prime bar location
- Estimated 1st Year Sales: \$23.8 M

A collage of food and drink items. In the top left, a basket of large, golden-brown pretzels with white salt crystals sits on brown parchment paper. To the right, a hand holds a tall glass of beer with a thick white head of foam. Behind the beer is a San Diego Beer Magazine with various headlines like 'BETTER BEER', 'BRIDGE BAY', and 'CITY BEER'. The bottom half of the image is a teal gradient overlay containing text and a list.

Food Package #3

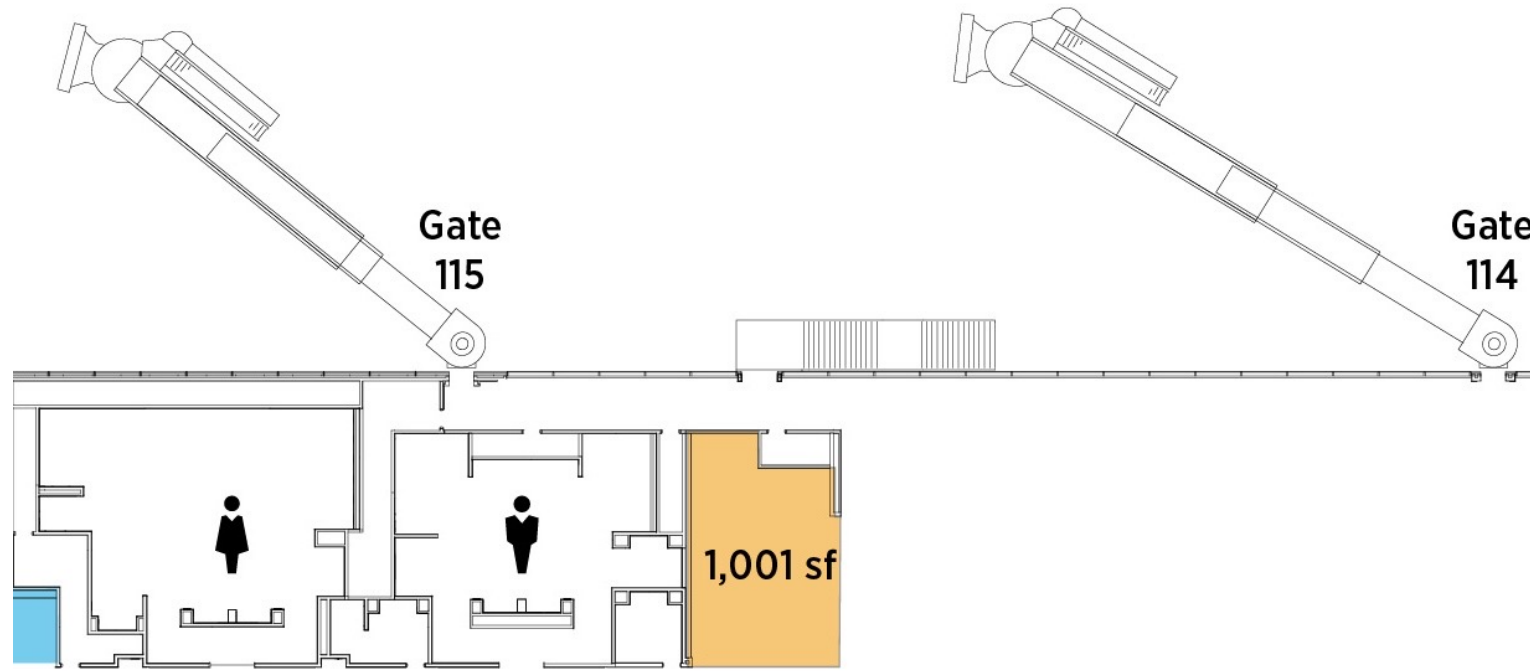
- Nine locations: east & west concourse
- Approximately 15,500 square feet
- Mix of casual dining, coffee, adjacent QSR locations
- Estimated 1st Year Sales: \$22 M

A low-angle shot of a modern building with a glass and steel facade. A person is suspended in the air, holding onto a purple silk fabric that is attached to a point above. The person is in a graceful, inverted pose. The background shows multiple levels of the building with glass railings and palm trees. The entire image has a warm, orange-yellow tint.

Package #4

Direct Lease Gourmet Coffee

Small Business – Gourmet Coffee





Direct Lease Opportunity

- Gourmet coffee, strong local brand preferred
- ~ 1,000 sf
- Est 1st Year Sales: \$1.3M

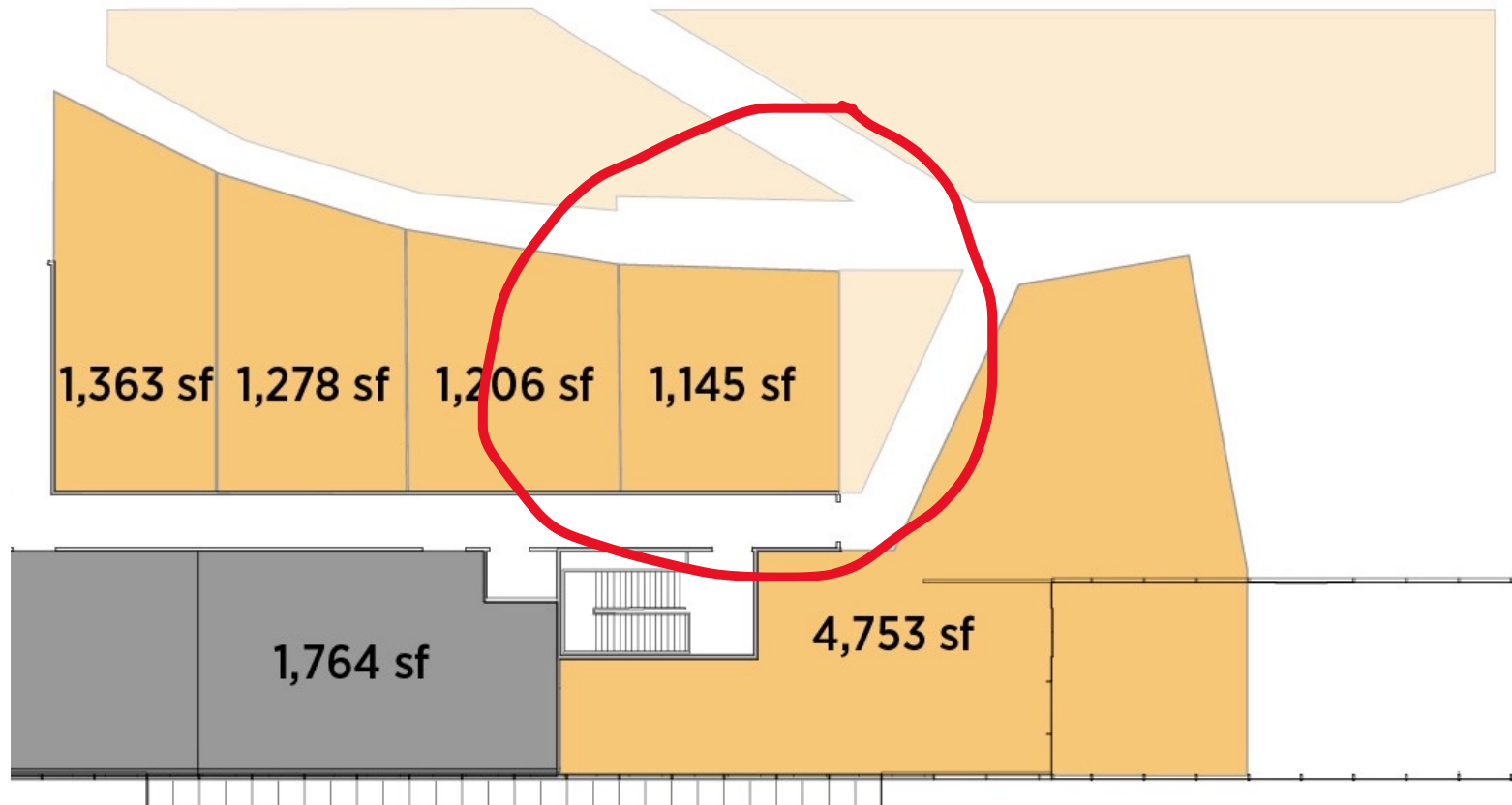


Package #5 Direct Lease QSR

Direct Lease – Quick Service

- Direct Lease Opportunity
- Strong local or national concept
- ~ 1,145 sf
- Est 1st Year Sales: \$1.3M

EAST FOOD COURT LOCATION



A man in a white shirt and glasses is looking at a book in a bookstore. The background shows shelves of books and other customers. A teal overlay covers the bottom half of the image.

Retail Package #1

- Five locations: east & west concourse
- Approximately 10,738 square feet
- Mix of news/gift, convenience, specialty
- Estimated 1st Year Sales: \$19.2 M



Retail Package #2

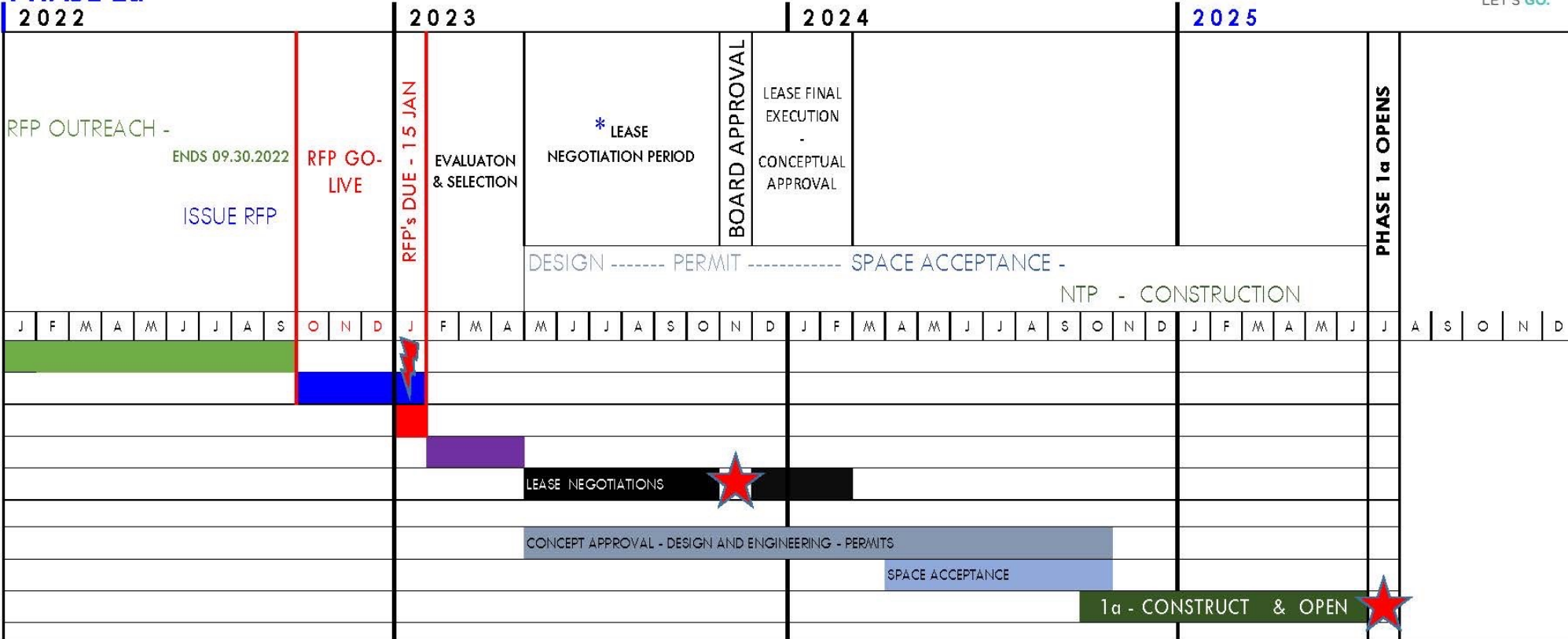
- Five locations: east & west concourse
- Approximately 12,000 square feet
- Mix of news/gift, convenience, specialty
- Estimated 1st Year Sales: \$20.5 M

SAN - NEW TERMINAL 1 - CONCESSIONS PROJECT SCHEDULE

PROPOSED DRAFT SCHEDULE



PHASE 1a



A photograph of two young children, a girl and a boy, wearing straw hats and striped shirts, looking out of a large window at an airport tarmac. The girl is in the foreground, and the boy is slightly behind her. They are both looking towards the left side of the frame. Outside the window, a white airplane is visible on the left, and various airport structures and vehicles are visible on the right. The image has a warm, slightly hazy quality. A large, semi-transparent teal shape is overlaid on the bottom left of the image, containing the text.

Questions?

Local and Virtual Outreach Events – Summer 2022

Register for more information:

www.newT1.com/business-opportunities

A photograph of the San Diego International Airport terminal building, featuring a modern design with large glass windows and a curved roof. A row of palm trees is planted in front of the building. A teal-colored overlay covers the bottom half of the image, containing the text 'Thank You' and the airport's logo and website information.

Thank You

Visit www.newT1.com/business-opportunities

