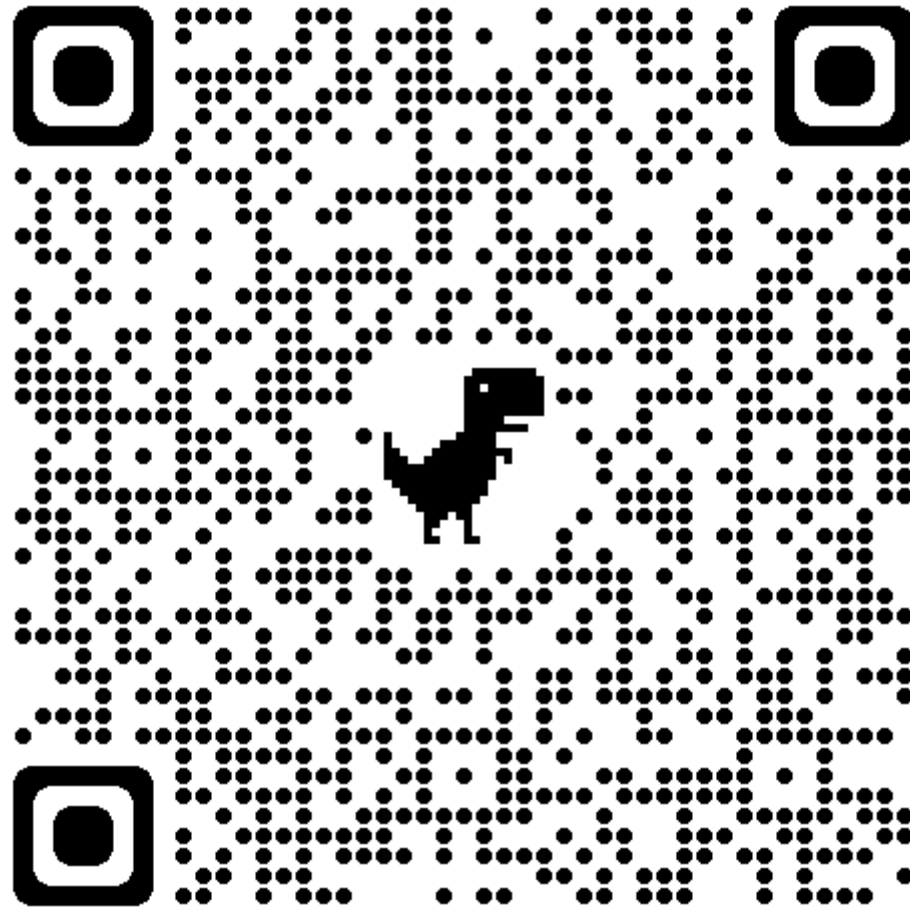




FRESNO YOSEMITE
INTERNATIONAL AIRPORT

Follow along with the presentation by scanning the QR Code



2022 Concessions Program Outreach Session 1 Food & Beverage and Retail

In Person:

Monday, April 25, 2022

Tuesday, April 26, 2022

Virtual:

Monday, May 2, 2022

Tuesday, May 3, 2022

Wednesday, May 4, 2022



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Program Agenda

Part I – Airport, Market & Concessions Program Overview

- Airport & Market Overview
- Passenger Demographics
- Concessions Program Information

Part II – Doing Business at the Airport

- Airport vs. Street: Business and Operational Differences
- Airport Concession Disadvantaged Business Enterprise (ACDBE Program)

Part III – Upcoming Schedule

- Notable Dates (subject to change)

Part IV – Question & Answer

- Question & Answer





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Part I

Airport, Market & Concessions Program Overview



Airport Vision Statement

Be an exemplary regional transportation hub that provides access to the world

Airport Mission Statement

Provide safe, sustainable, and secure facilities that meet the transportation needs of Central California while enabling regional economic growth and providing excellent service



Airport & Market Overview

- FAT offers direct flights to 16 airports including five international mega-hubs (ORD, SFO, LAX, DFW, SEA)
- Closest commercial service airport to three national parks
- Nearest major commercial airports are several hours away in driving time
- “*FATforward*” multi-year airport expansion launched in 2020 including:
 - New four-level parking garage
 - New Terminal Wing
 - Expanded TSA Security Checkpoint
 - New International Arrivals Area



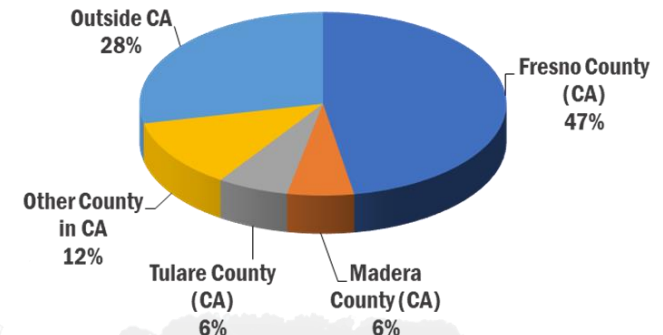


Airport & Market Overview

- FAT draws most of its passengers from the Central Valley's six county area that includes Fresno, Madera, Mariposa, Merced, Kings, and Tulare counties
- The Central Valley's six county area has a population of over 2 million
- From 2000 to 2020, the Central Valley's population grew by 26%



Passenger Area of Residence

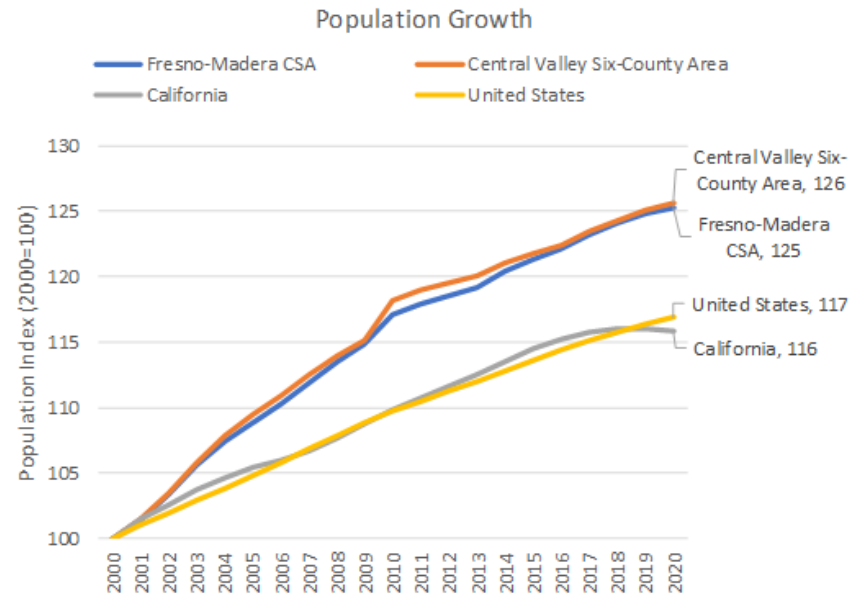


Source: Fresno International Airport 2019 Concessions Preference Survey



Airport & Market Overview

- The Central Valley six-county area produced nearly \$90 billion in gross domestic product (GDP) in 2018 -- greater than the GDP of 13 states
- The six-county area outpaces the nation in overall economic growth
 - From 2001 to 2019, the six-county area's combined real GDP grew 67% (2.9% annually), while the U.S. real GDP grew only 44% (2% annually)



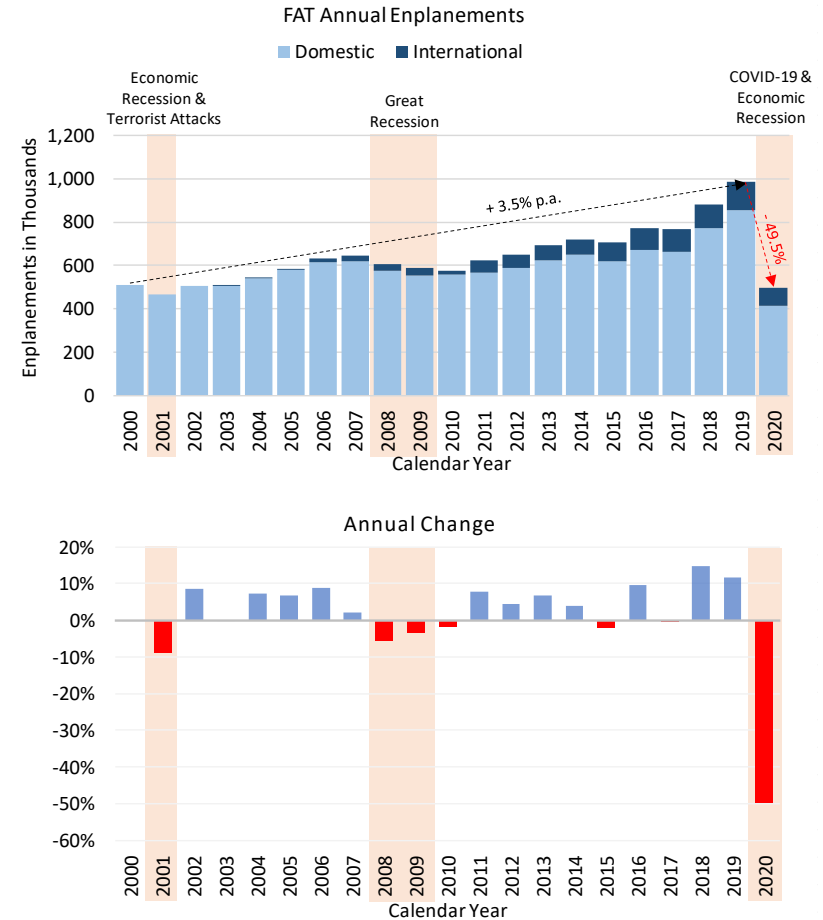
Source: U.S. Census Bureau



Airport & Market Overview

Historical Enplanement Trends

- From 2000 through 2019, total enplanements grew at an average of 3.5% annually
- The last 10 years show a high average annual growth rate of 6.1%, largely due to new international service to Mexico
- Enplanements grew 15% in 2018 and 12% in 2019, reaching 985K in '19
- In 2020, enplanements decreased by nearly 50% due to the COVID-19 pandemic



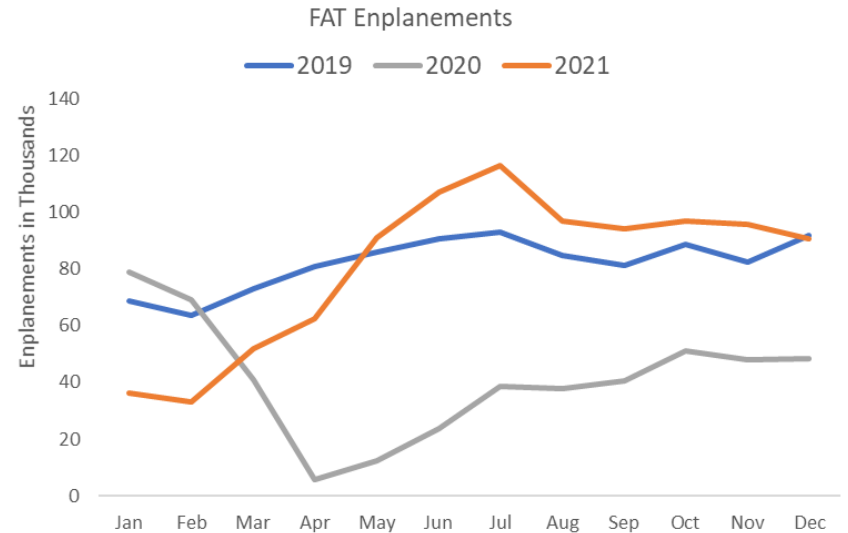
Sources: FAT records for actual EP for 2016-2019; BTS T-100 for 2003-2015; and FAA ACAIS for 2000-2002.



Airport & Market Overview

COVID-19 Enplanement Recovery

- Enplanements at FAT bottomed out at -93% to 2019 levels in April 2020
- Enplanement levels have recovered rapidly, surpassing 2019 levels starting in May 2021
- Monthly enplanements remained at or above 2019 levels throughout the second half of 2021



Source: FAT records for actual EP for 2019-2021



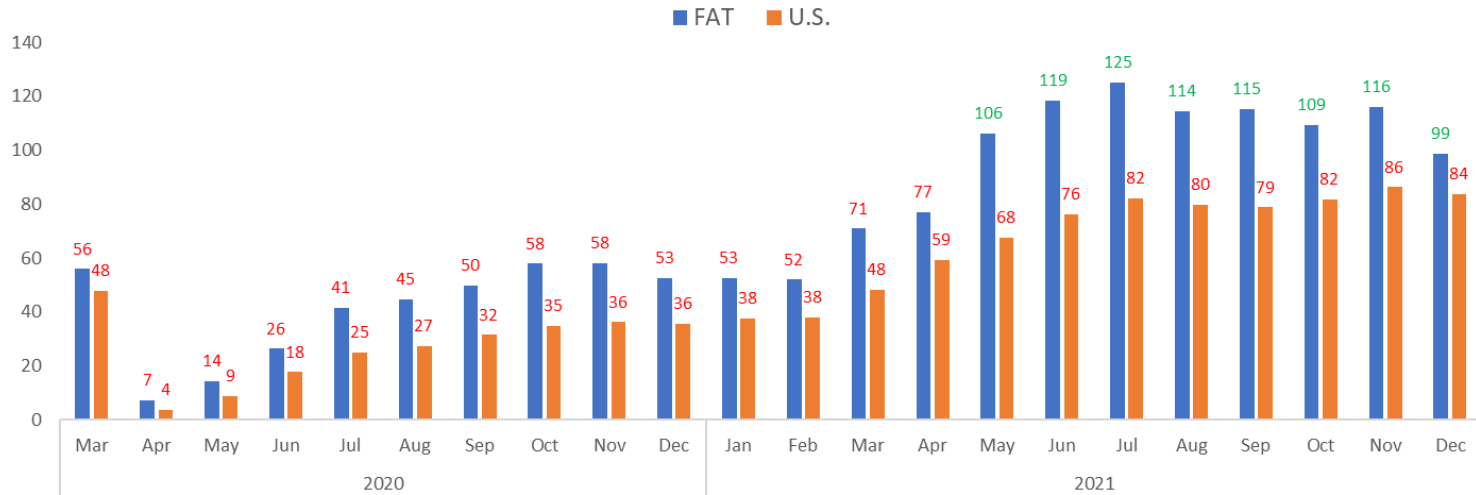


Airport & Market Overview

COVID-19 Enplanement Recovery

- Enplanement recovery at FAT has significantly outperformed recovery compared to all US Airports

Monthly Enplanements, Indexed to the Same Month in 2019 (100)



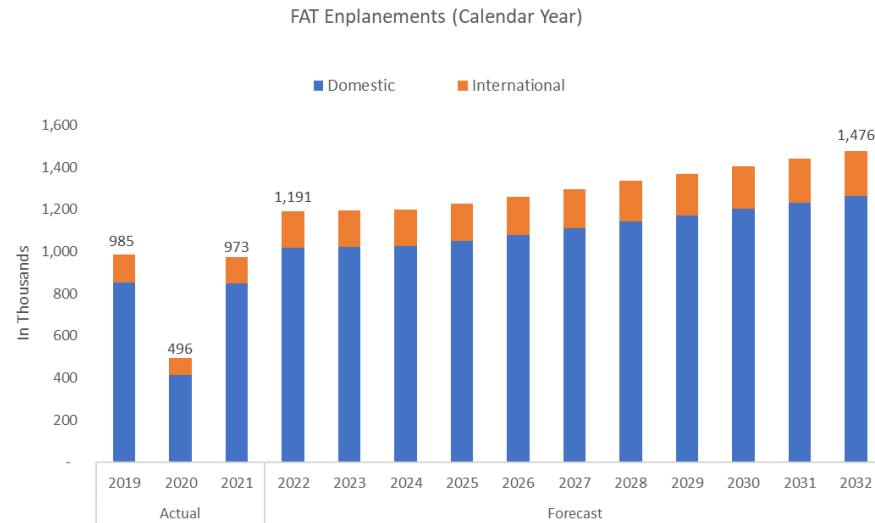
Sources: FAT records for actual EP for 2020-2021; Transportation Security Administration website for US Airport passenger throughput data (www.tsa.gov/coronavirus/passenger-throughput)



Airport & Market Overview

FAT Enplanement Forecast

- Annual enplanements, which decreased nearly 50% to ~496,000 in 2020, are projected to surpass 2019 levels in 2022, and reach over 1.4 million (nearly 50% above 2019 levels) by 2032
- The forecast average annual growth rate from 2020 to 2032 is 11.5%





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Passenger Data & Current Concessions Program Overview

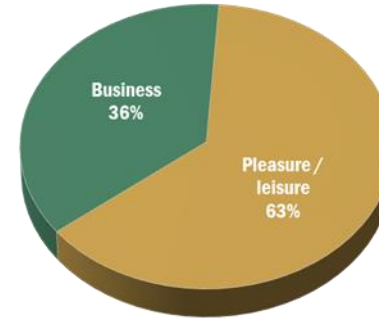




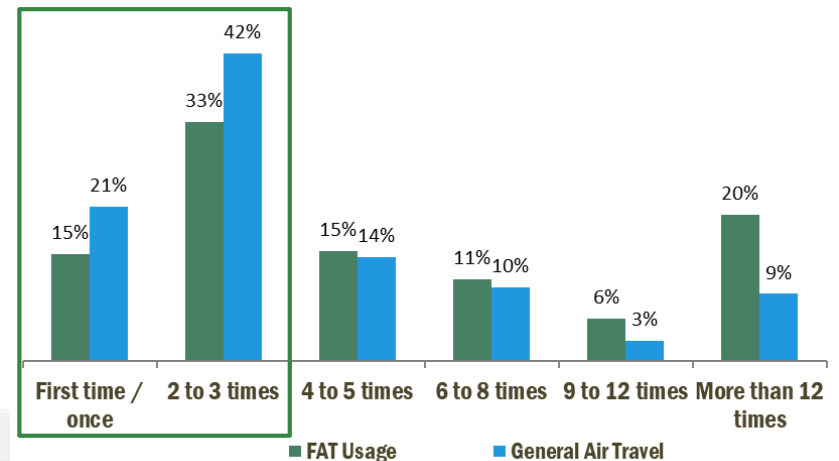
Passenger Demographics

- The FAT passenger is primarily traveling for leisure purposes, which has factored in the resiliency of the airport during the COVID-19 pandemic
- Approximately half of FAT passengers are infrequent users of the airport (and infrequent fliers generally)

Trip Purpose



How many times in the last 12 months did you fly...



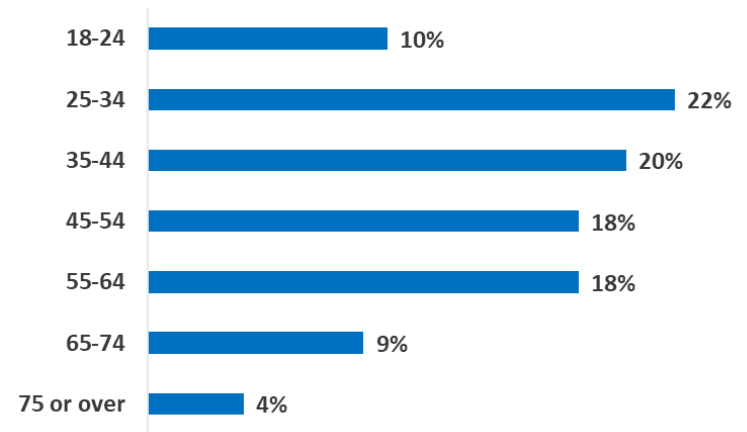
Source: Fresno International Airport 2019 Concessions Preference Survey



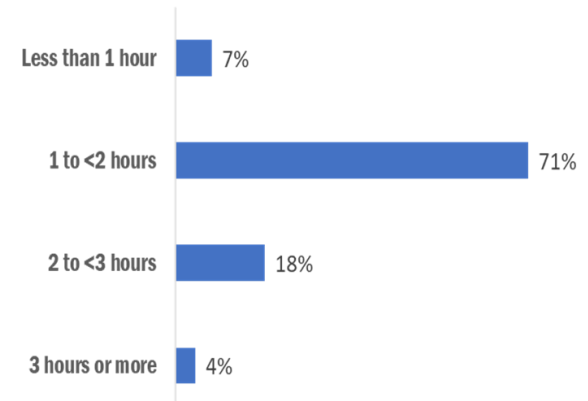
Passenger Demographics

- Over half of the Fresno passenger base consists of Millennial or Gen Z age customers
- The vast majority (71%) of FAT passengers have between 1-2 hours of dwell time (waiting to board their flight) in the airport

Age Range



Dwell Time



Source: Fresno International Airport 2019 Concessions Preference Survey

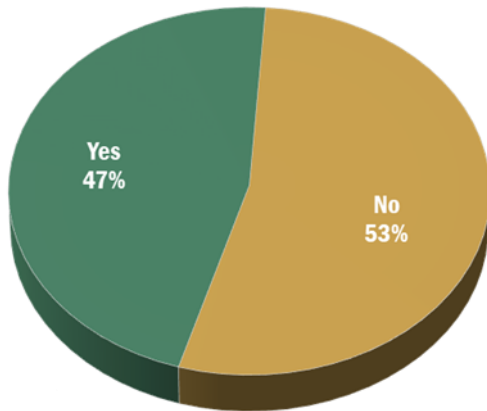


Passenger Preferences & Purchasing Behavior

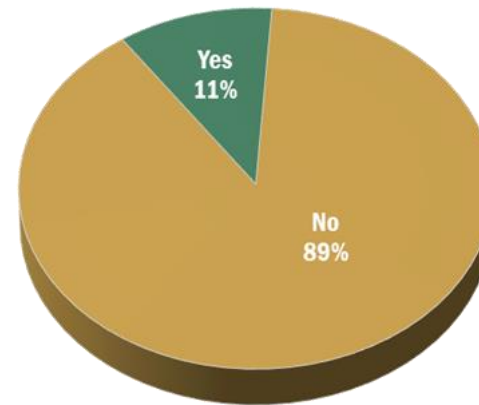
- Passengers were surveyed in 2019 to provide feedback on concessions preferences and purchasing behavior

Did you make a purchase?

Food & Beverage



Retail

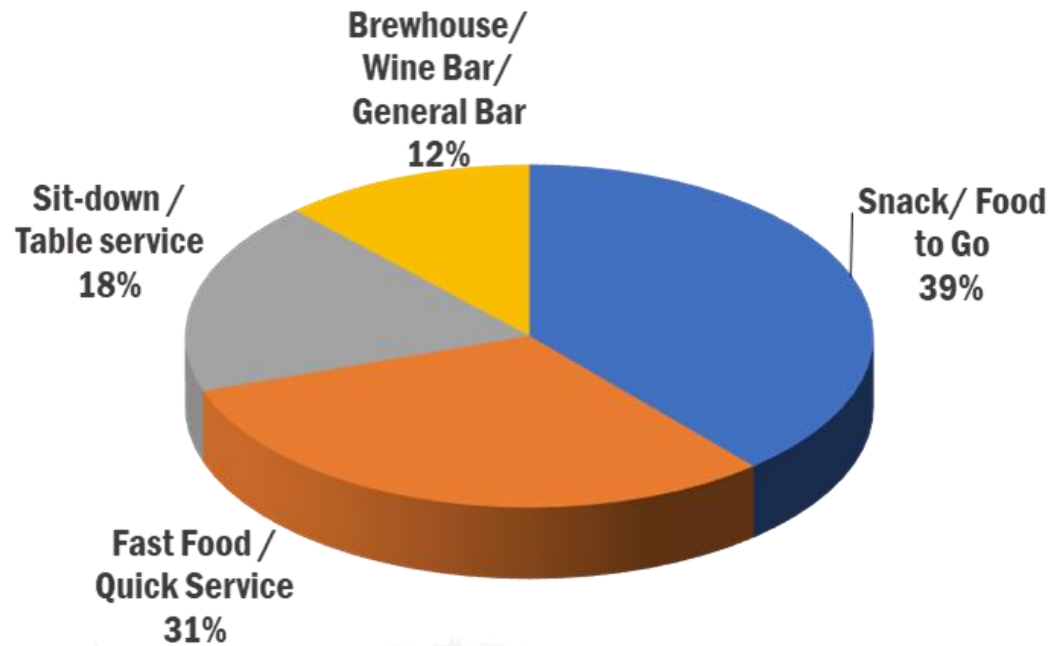


Source: Fresno International Airport 2019 Concessions Preference Survey



Passenger Preferences & Purchasing Behavior

**Based on your travel situation today:
From where would you most likely make a purchase at the airport?**

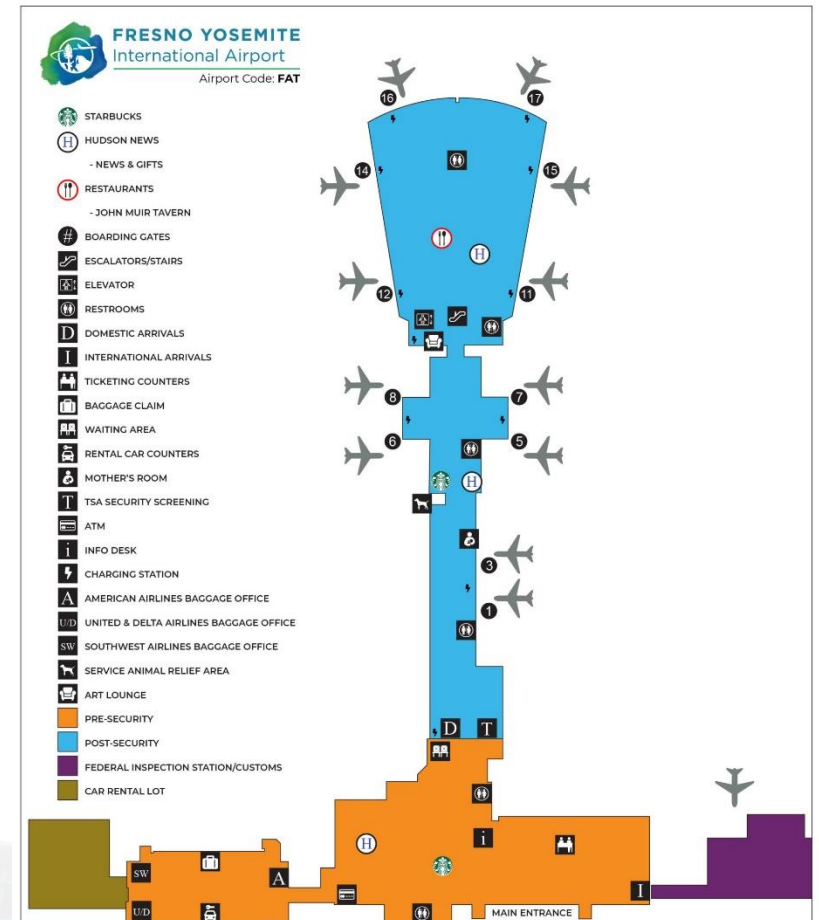


Source: Fresno International Airport 2019 Concessions Preference Survey



Concessions Program Information

- Current concessions program consists of six units
- Three (3) Food & Beverage units:
 - John Muir Tavern
 - Starbucks (2)
- Three (3) Travel Retail units:
 - Hudson News (3)
- Approximately 3,300 Square Feet (SF)
- Three (3) Travel Retail units:
 - Hudson News (3)
- Approximately 3,100 SF

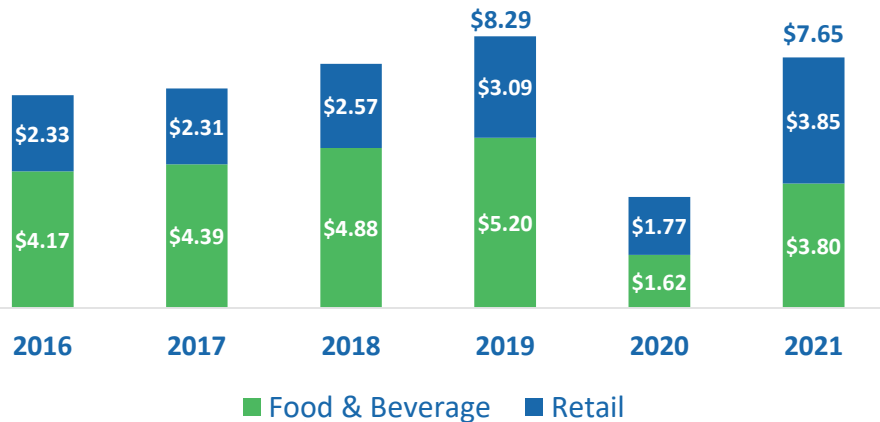




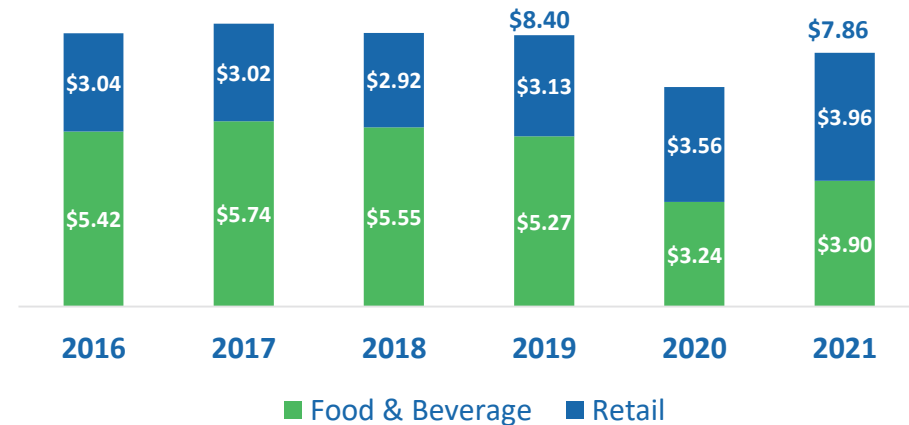
Concessions Program Information

- Gross Sales grew at a Compound Annual Growth Rate (CAGR) of 6.2% from 2016 - 2019
- Gross Sales (92%) and Sales Per Enplanement (94%) have recovered to near pre-pandemic (2019) levels

Gross Sales by Category (in millions) *



Sales Per Enplanement by Category *



* Food & Beverage sales in 2021 were impacted by the closing of one unit and reduced operating hours



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Part II

Doing Business At The Airport





Airport vs. Street: Business & Operational Differences

- The Airport is open 365 days per year
- Passenger traffic varies throughout the day, the year, and within various areas of the facility
- Passengers are here to travel rather than shop or eat
- Concessions must operate at least 22-24 hours per day, with no exceptions
- Deliveries must be scheduled and screened
- Employees must be badged





Airport vs. Street: Business & Operational Differences

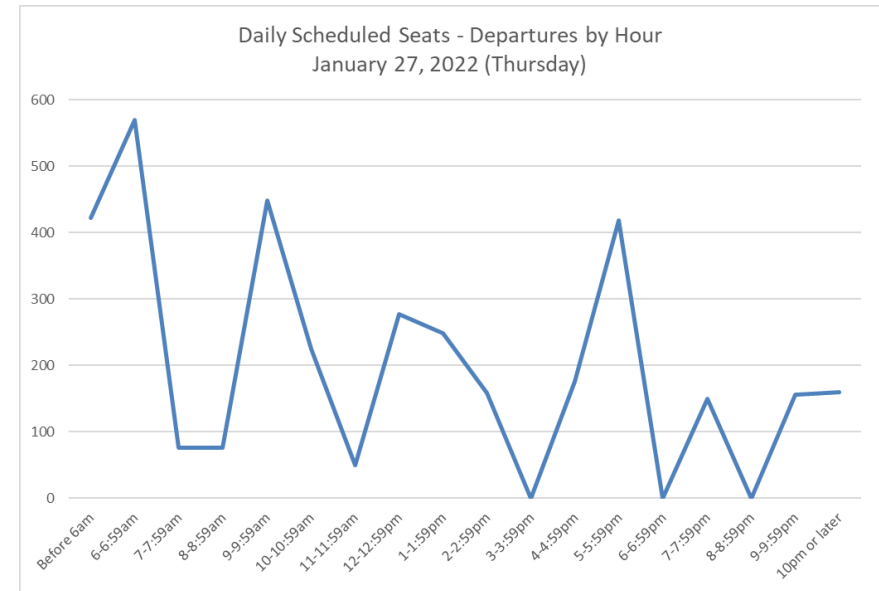
- Typical business terms: 7 to 10 Years of agreement length based on Category
- Generally, rent at the Airport is greater than typical street rent:
 - Percentage of Gross Sales
 - Annual Adjustments
- Security Deposit equal to 3 Months of rent
- Required Mid-Term Refurbishment
- Street Pricing Requirements





Airport vs. Street: Business & Operational Differences

- Terminals have periods of intense activity followed by periods of relative calm
- Concessionaires must be equipped to handle demand during the peaks
- Achieve a large percentage of sales during peaks
- Significant impacts on staffing levels and inventory management



Source: Fresno International Airport; OAG Data





Airport vs. Street: Business & Operational Differences



- Extended hours of operations to accommodate flight delays and flight cancellations
- The airport is not only affected by local weather but also by weather in other parts of the country
- Existing and future security requirements
 - May impact operating costs
- Comply with required service and operational performance standards
- Comply with all specifications outlined in Tenant Handbook





Airport vs. Street: Business & Operational Differences

- Typically, concessions spaces in Airports are smaller than the same use would occupy on the street
- Building concession units in an airport environment requires high capital investment
- Average Build Out Costs per Square Foot
 - Food Service: \$1000+
 - Retail: \$600+





Airport vs. Street: Business & Operational Differences

Security Requirements

- All employees working in a secure area must be badged
- 10-year background check
- FBI fingerprint check
- 2 to 6 weeks to conduct background check and issue badge
- Replacing a sick, terminated employee may require extra staffing and time
- Employee turnover can be expensive and frequent





Airport vs. Street: Business & Operational Differences



- Operating and Maintenance expenses can be typically 20% to 30% higher than comparable non-airport locations
- Employee Badging and Parking
- Marketing Fees
- Receiving and Distribution
- Storage Space and Office Rental
- Utilities & Common Maintenance Fees
- Janitorial, Trash, and Grease Maintenance
- Insurance Requirements
- Business Licenses





Airport vs. Street: Business & Operational Differences

Options for Participating: Solo, Join a Team or Form a Team

- If you believe you have the right concept for the Airport, there are several ways to submit a proposal
- If you have the financial capacity to build and operate, you can submit directly
- If you believe that you need to partner up to achieve your goals, there are options:
 - Joint Venture – A partnership between two or more companies to form a new entity that can deliver the required results to the Airport
 - Typically, this is done between a Prime Operator and at least one ACDBE partner
 - Sublease - If there is a package of spaces available, you can partner with another company to agree to sub-lease one or more spaces from that company if they are the successful bidder





Airport vs. Street: Business & Operational Differences

You've decided that you want to embrace the differences and challenges and open a location in the Airport! The rewards can be great!

- High sales volumes
- Greater realized profits at the end of the year
- Exposure of your brand to hundreds of thousands of people annually
- Ability to market your brand outside of your home market
- “If you can make it here, you can make it anywhere”





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INTERNATIONAL AIRPORT

Part II

Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program





Airport Concession Disadvantaged Business Enterprise (ACDBE) Program

Airport Concessions Disadvantaged Business Enterprise

U.S. Department of Transportation 49 CFR Part 23

- ACDBE program is regulated by U.S. Department of Transportation (USDOT) under Title 49 Code of Federal Regulations Part 23.
- Create a **level playing field** on which ACDBEs can compete fairly for opportunities in concessions.
- Ensure the ACDBE program is **narrowly tailored** in accordance with applicable law.
- Help **remove barriers** to the participation of ACDBEs in opportunities for concessions at airports.
- Ensure that only **firms that fully meet eligibility standards** are permitted to participate as ACDBEs.



Airport Concession Disadvantaged Business Enterprise (ACDBE) Program

To be eligible for ACDBE certification, as defined in USDOT 49 CFR Part 23:

- Must be at least **51% owned and controlled** by one or more socially and economically disadvantaged individual – owner(s) must control the firm’s management and daily operations.
- **Must be a U.S. citizen and legally considered to be a disadvantaged minority** as defined by the SBA, i.e., African American, Hispanic American, Native American, Asian-Pacific American, Subcontinent Asian American, or Woman.
- **Personal Net Worth (PNW) cannot exceed \$1,320,000**, excluding the equity in the primary residence and business.
- **Gross receipts cannot exceed \$ 56,420,000** averaged over 3 years.



Airport Concession Disadvantaged Business Enterprise (ACDBE) Program

Presumed “Socially Disadvantaged Individuals”:

- Black Americans
- Hispanic Americans
- Native Americans/Alaska Natives
- Asian-Pacific Americans
- Subcontinent Asian Americans
- Women
- Any other group classified as disadvantaged by the SBA in the future





Airport Concession Disadvantaged Business Enterprise (ACDBE) Program

ACDBE Participation Goal

- 13% of total concessions gross receipts
- ACDBE goals are calculated by the Airport and approved by the FAA
- Goals are updated every three years





Airport Concession Disadvantaged Business Enterprise (ACDBE) Program

List of Unified Certification Program Agencies

- Out of state applicants must be certified in their state first before getting certified in California
- All out-of-state applications must be filed and certified at the Sacramento location of the California Department of Transportation (CALTRANS)

ACDBE CERTIFYING AGENCIES
<p>CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) Office of Civil Rights 1823 14th Street Sacramento, CA 95811 Phone: (916) 324-1700 ** Fax: (916) 324-1862 www.dot.ca.gov</p>
<p>FOR LOS ANGELES WORLD AIRPORTS PLEASE CONTACT: CITY OF LOS ANGELES Office of Contract Compliance 1149 S. Broadway Street, Suite 300 Los Angeles, CA 90015 Phone (213) 847-2684 ** Fax: (213) 847-2777 http://bca.lacity.org</p>
<p>SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY (SDCRAA) Small Business Development Department P.O. Box 82776 San Diego, CA 92138-2776 Phone: (619) 400-2568 ** Fax: (619) 400-2566 www.san.org (San Diego Concessions Only)</p>
<p>SAN FRANCISCO INTERNATIONAL AIRPORT Small Business Affairs Office P.O. Box 8097 San Francisco, CA 94128 Phone: (650) 821-5021 ** Fax: (650) 821-5146 www.flvsfo.com (SFO Concessions Only)</p>
<p>SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY (SFMTA) Contract Compliance Office One S. Van Ness Avenue, 6th Floor San Francisco, CA 94103 Phone: (415) 701-4436 ** Fax: (415) 701-4347 www.sfmuni.com</p>



Airport Concession Disadvantaged Business Enterprise (ACDBE) Program

List of Unified Certification Program Agencies

Area	Counties	DBE Certifying Agencies		
Riverside, Imperial & San Diego (RIS)	Imperial Riverside San Diego	<p><u>SUBMIT APPLICATION PACKAGE TO:</u></p> <ul style="list-style-type: none"> ➤ CITY OF LOS ANGELES* ➤ LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY <p style="text-align: center;"><u>OR</u></p> <ul style="list-style-type: none"> ➤ CALIFORNIA DEPARTMENT OF TRANSPORTATION <p>SEE CONTACT INFORMATION BELOW</p>		
Los Angeles Area	Kern Los Angeles Orange San Bernardino San Luis Obispo Santa Barbara Ventura	<table border="0"> <tr> <td> <p>CITY OF LOS ANGELES Bureau of Contract Admin. Centralized Certification Section 1149 S. Broadway, Ste 300 Los Angeles, CA 90015 Phone: (213) 847-2684 Fax: (213) 847-2777 Email: bca.certifications@lacity.org http://bca.lacity.org</p> <p><i>*Please note: Only firms located within City of Los Angeles may apply</i></p> </td> <td> <p>LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (METRO) Diversity and Economic Opportunity Department One Gateway Plaza, MS 99-8-4 Los Angeles, CA 90012 Phone: (213) 922-2600 Fax: (213) 922-7660 Email: certificationunit@metro.net</p> <p><i>Please Note: Metro only accepts online applications.</i></p> <p><i>Please use link below to apply:</i> metro.gob2g.com</p> </td> </tr> </table>	<p>CITY OF LOS ANGELES Bureau of Contract Admin. Centralized Certification Section 1149 S. Broadway, Ste 300 Los Angeles, CA 90015 Phone: (213) 847-2684 Fax: (213) 847-2777 Email: bca.certifications@lacity.org http://bca.lacity.org</p> <p><i>*Please note: Only firms located within City of Los Angeles may apply</i></p>	<p>LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (METRO) Diversity and Economic Opportunity Department One Gateway Plaza, MS 99-8-4 Los Angeles, CA 90012 Phone: (213) 922-2600 Fax: (213) 922-7660 Email: certificationunit@metro.net</p> <p><i>Please Note: Metro only accepts online applications.</i></p> <p><i>Please use link below to apply:</i> metro.gob2g.com</p>
<p>CITY OF LOS ANGELES Bureau of Contract Admin. Centralized Certification Section 1149 S. Broadway, Ste 300 Los Angeles, CA 90015 Phone: (213) 847-2684 Fax: (213) 847-2777 Email: bca.certifications@lacity.org http://bca.lacity.org</p> <p><i>*Please note: Only firms located within City of Los Angeles may apply</i></p>	<p>LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (METRO) Diversity and Economic Opportunity Department One Gateway Plaza, MS 99-8-4 Los Angeles, CA 90012 Phone: (213) 922-2600 Fax: (213) 922-7660 Email: certificationunit@metro.net</p> <p><i>Please Note: Metro only accepts online applications.</i></p> <p><i>Please use link below to apply:</i> metro.gob2g.com</p>			

AREA	COUNTIES	DBE CERTIFYING AGENCIES
Bay Area/ Central Valley	Alameda Amador Calaveras Contra Costa Fresno Kings Madera Marin Mariposa Merced Monterey Napa San Benito San Francisco San Joaquin San Mateo Santa Clara Santa Cruz Solano Sonoma Stanislaus Tulare Tuolumne	<p>S.F. BAY AREA RAPID TRANSIT DISTRICT (BART) Office of Civil Rights 300 Lakeside Drive 16th Floor Oakland, CA 94612 Phone: (510) 464-6100 Fax: (510) 464-7587 www.bart.gov</p> <p>CITY OF FRESNO Finance Department, Purchasing Division, DBE Program 2600 Fresno Street, Room 2156 Fresno, CA 93721-3622 Phone: (559) 621-7036 Fax: (559) 488-1069 www.fresno.gov</p> <p>SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA) Business Diversity Programs 3331 North First Street, Bldg. B San Jose, CA 95134-1906 Phone: (408) 321-5962 osdb.osdb@vta.org www.vta.org/osb</p>
		<p>SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY (SFMTA) Contract Compliance Office One S. Van Ness Avenue, 6th Fl San Francisco, CA 94103 Phone: (415) 701-4436 Fax: (415) 701-4347 www.sfmuni.com</p> <p>SAN MATEO COUNTY TRANSPORTATION DISTRICT (SAMTRANS)/ PENNSULA CORRIDOR JOINT POWERS BOARD (JPB) DBE Office 1250 San Carlos Avenue San Carlos, CA 94070 Phone: (650) 508-7939 Fax: (650) 508-7738 www.samtrans.com</p>
Northern California	Alpine Butte Colusa Del Norte El Dorado Glenn Humboldt Inyo Lake Lassen Mendocino Modoc Mono	<p>CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) Office of Civil Rights 1823 - 14th Street Sacramento, CA 95811 Phone: (916) 324-1700 or Fax: (916) 324-1862 www.dot.ca.gov</p>



Airport Concession Disadvantaged Business Enterprise (ACDBE) Program

- First time applicants for DBE certification must complete and submit this certification application and related material to the certifying agency in your home state and participate in an on-site interview conducted by that agency. If you fail to submit the required documents, your application may be delayed and/or denied. Firms already certified as a DBE do not have to complete this form but may be asked by certifying agencies outside of your home state to provide a copy of your initial application form, supporting documents, and any other information you submitted to your home state to obtain certification or to any other state related to your certification.
- The U.S Department of Transportation does not review DBE applications. If you have questions about where to send your DBE application package, please contact the state transportation agency in the state in which you want to apply for.



Airport Concession Disadvantaged Business Enterprise (ACDBE) Program

Points of Consideration

- Statewide ACDBE certification
- UCP does not have a reciprocal certification with local agencies for ACDBE certification
- Must be certified in “home state” before submitting ACDBE certification in California
- Up to 90 days for staff review and processing of a new ACDBE application plus 60 days for out of state applications
- If the 51% ownership is made up of 2 or more ACDBE owners, each owner must complete application page submit “ownership” page of application as well as financial documents, i.e. tax return and personal net worth



Airport Concession Disadvantaged Business Enterprise (ACDBE) Program

Airport ACDBE Office Contact Information:

Olustee Smith

DBE/Small Business Coordinator

Olustee.smith@fresno.gov

559-621-7036

[DBE Uniform Certification Application \(English\)](#)





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INTERNATIONAL AIRPORT

Part III

Upcoming Schedule





Notable Upcoming Dates (subject to change)

- Outreach Event dates (April 25-26 and May 2-4 2022)
- RFP/Solicitation Anticipated Release Date (June 2022)
- Pre-Proposal Conference (July 2022)
- Deadline for Questions (August 2022)
- Proposal Due Date (September 2022)
- Solicitation Review Process (September – October 2022)
- Anticipated Selection/Award (November 2022)





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Part IV

Question & Answer





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Thank you!



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