



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:
District B, District I
Item Creation Date: 11/30/2023

HAS - Amendment No. 1 to the Agreements with SSP America IAH ITRP, LLC; Paradies Lagardere @ IAH 2021, LLC; LaTrelle's Galley, LP; and Areas HOU JV, LLC

Agenda Item#:

Summary:

ORDINANCE amending the Revenue Agreements with **SSP AMERICA IAH ITRP, LLC; PARADIES LAGARDERE @ IAH 2021, LLC; LATRELLES GALLEY, LP;** and **AREAS HOU JV, LLC** for food and beverage and retail concessions at George Bush Intercontinental Airport/Houston (IAH) and William P. Hobby Airport (HOU) - **DISTRICT B - JACKSON** and **DISTRICT I - GALLEGOS**

Background:

RECOMMENDATION:

Enact an ordinance amending the Revenue Agreements with SSP America IAH ITRP, LLC; Paradies Lagardere @ IAH 2021, LLC; LaTrelle's Galley, LP; and Areas HOU JV, LLC for food and beverage and retail concessions at George Bush Intercontinental Airport/Houston (IAH) and William P. Hobby Airport (HOU).

SPECIFIC EXPLANATION:

On August 17, 2022, City Council enacted Ordinance 2022-630 approving and authorizing a Revenue Agreement with SSP America IAH ITRP, LLC for food and beverage concessions at George Bush Intercontinental Airport/Houston (IAH). On August 24, 2022, City Council enacted Ordinance 2022-656, approving and authorizing a Revenue Agreement with Paradies Lagardere @ IAH 2021, LLC for retail concessions at IAH. On January 4, 2023, City Council enacted Ordinance 2023-25 approving and authorizing a Revenue Agreement with Latrelle's Galley, LP for food and beverage concessions at William P. Hobby Airport (HOU). On March 8, 2023, City Council enacted Ordinance 2023-154 approving and authorizing a Revenue Agreement with Areas HOU JV, LLC for food and beverage concessions at HOU.

The four Revenue Agreements contain clauses granting the Director of the Houston Airport System (HAS) authorization to terminate the Agreements at any time for convenience with 30 days written notice. This authorization is a departure from previous HAS concessions agreements, including the existing agreements approved by City Council in 2015, which do not allow terminations for convenience by the Director.

Given the significant investments made by concessionaires and the importance of stable continued airport operations, it is recommended that greater oversight be exercised when a decision to terminate is contemplated, whether for convenience or for cause. Thus, in the interest of continuity in essential passenger service and stable airport operations, it is recommended that the four Revenue Agreements be amended to require City Council approval for terminations for convenience or for cause. All other terms of the Agreements would remain unchanged.

Fiscal Note:

There is no impact to the fiscal budget or no additional spending authority. Therefore, no Fiscal Note is required as stated in the Financial Policies.

Director's Signature:

DocuSigned by:

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Mario C. Diaz
Houston Airport System

Prior Council Action:

- 8/17/22 (O) 2022-630
- 8/24/22 (O) 2022-656
- 1/04/23 (O) 2023-25
- 3/08/23 (O) 2023-154

Amount and Source of Funding:

No funding required.

Contact Information:

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ATTACHMENTS:

Description

Caption

Type

Other