



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting September 19, 2023
Second Reading Ordinance for the City Council Meeting October 17, 2023

DATE: September 19, 2023
TO: Peter Zaroni, City Manager
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Ordinance authorizing a lease agreement with Tailwind CRP, LLC for operation of food, beverage, and retail concession at the Corpus Christi International Airport for a ten-year term, with a one six-year option to renew.

CAPTION:

Ordinance authorizing the City Manager to execute a lease agreement with Tailwind CRP, LLC for terminal space at the Corpus Christi International Airport for a ten-year term, with a one six-year option to renew to operate restaurants, bars and other concessions in the Terminal.

SUMMARY:

The proposed lease agreement will be between the City of Corpus Christi and Tailwind CRP, LLC for premises to operate of food, beverage, and retail concessions located at the Corpus Christi International Airport (CCIA) for an initial term of ten years and one additional six-year renewal term.

The lease agreement is for space inside the terminal. The lessee will occupy the below property.

Location 1 - Secured Side Resaurant & Bar	3,475 Sq.Ft.
Location 2 - Coffee Shop/Retail Space	1,593 Sq.Ft.
Location 3 - Concourse Bar	896 Sq.Ft.
Location 4 - Landside Restaurant & Bar	320 Sq.Ft.
Location 5 - Gate 6 Development	200 Sq.Ft.
Location 6 - TBD	434 Sq.Ft.

BACKGROUND AND FINDINGS:

Tailwind CRP, LLC is currently a tenant of CCIA and operates concession services inside the terminal on both the non-secured and secured side of the second floor. With this new lease, they will expand their square footage, including remodeling both new and existing spaces, and provide new food, beverage, and retail services. They are excited to partner with local companies to expand their food, beverage, and retail services while adding a local flair. Tailwind will make a minimum investment of \$1,600,000 in capital improvements during the first eighteen months of their lease.

This will increase revenue for the Corpus Christi International Airport with the additional square footage and new amenities. Tailwind has been an ideal tenant over the years and remained open during the pandemic serving our customers when other airport concessionaires closed their doors.

ALTERNATIVES:

Alternatives include allowing another tenant to occupy the proposed space for either similar or different services.

PROCUREMENT DETAIL:

Finance & Procurement conducted a competitive Request for Proposal (RFP) to obtain qualified firms to provide food, beverage, and retail concession at the CCIA. Four responsive, responsible proposals were received, which were evaluated by the City’s evaluation committee. Three firms were interviewed according to technical and evaluation criteria on the RFP.

The evaluation committee was comprised of members from Aviation, and executive leadership. Proposals were evaluated against the published criteria in the RFP. The evaluation committee rated each proposer and was scored according to 1) firm’s experience, 2) menu, and 3) transition and development plan. Final scores were tabulated for each firm to determine the highest-ranking firm offering the best value to the City. Staff is recommending award to Tailwind CRP, LLC.

FISCAL IMPACT:

The proposed new lease agreement will provide CCIA with a minimum monthly revenue every month based on Tailwind’s gross sales, see details below.

Percentage of Monthly Gross Sales Due	
First \$100,000	20%
\$100,001 – \$200,000	12%
\$200,001 - \$300,000	10%
\$300,001 +	7%

FUNDING DETAIL:

Fund: 4610
Organization/Activity: 35000

Department #: 53
Project # (CIP Only): N/A
Account: 320340 (Restaurant Concession)

RECOMMENDATION:

City staff recommend approval of this action item. The Airport Board recommended approval of this action item at their regularly scheduled meeting.

LIST OF SUPPORTING DOCUMENTS:

Evaluation Matrix
Ordinance
Lease Agreement