



Doing Business with the Airports Authority

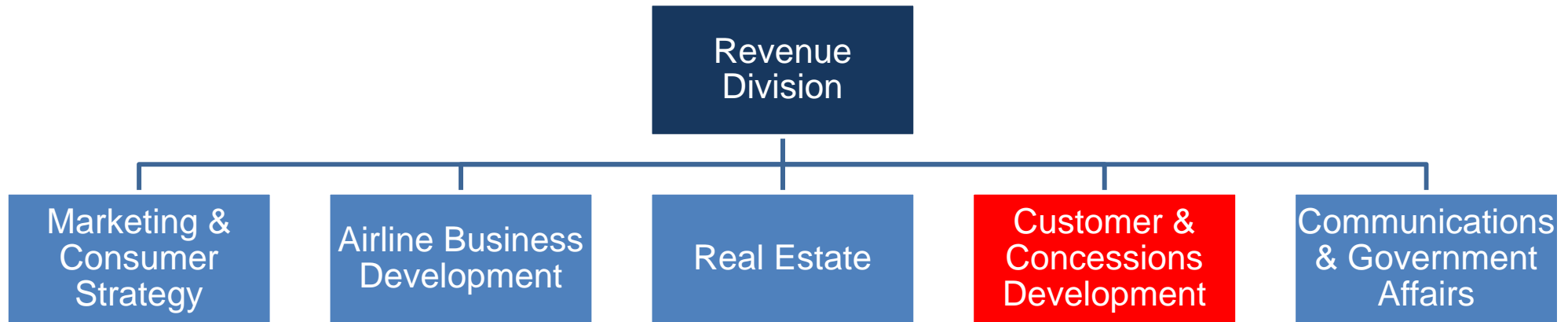
Concessions Program

MWAA/DC EXPO for
Small Business & Employment Opportunities

May 18, 2018



Who We Are?

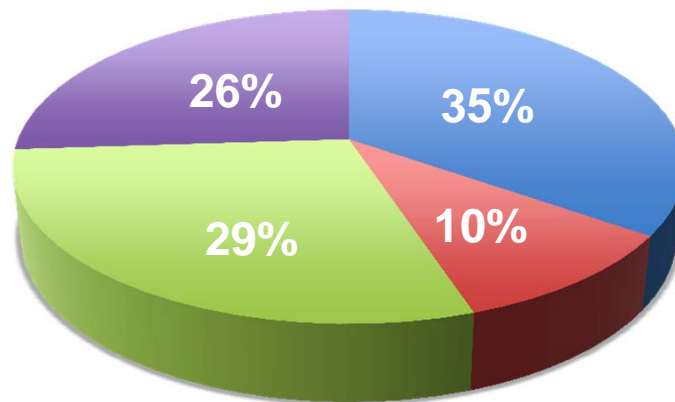


- **Customer & Concessions Development (C&CD)**

- Responsible for the oversight, development, and implementation of the Concessions Program for both Reagan National and Dulles International Airports.
 - Concessions Fee Manager
 - Duty Free
 - International Currency Exchange
 - Luggage Carts
 - Network News Broadcast



Different Management Approaches



- 1) Direct Leasing
- 2) 3rd Party Developers/Fee Managers
- 3) Prime Operators
- 4) Master Concessionaire

- 1) Direct Leasing - Airport leases individual locations or small groups of locations (no more than 3) directly to the operators. Dallas/Ft. Worth, Denver, Portland, and San Francisco
- 2) 3rd Party Developers/Fee Managers - Airport has agreement with a 3rd party to develop/lease and manage the concessions without operating any directly. Developer invests in facilities directly while Fee Managers do not. Baltimore, Pittsburgh, Boston, Reagan National and Dulles
- 3) Prime Operator - Airport leases packages of locations to two or more operators, each of which has multiple locations (more than 3) within the airport. Detroit, San Antonio, Atlanta
- 4) Master Concessionaire - Airport leases all food service concessions to a single operator, who may or may not also operate retail. The Master Concessionaire may sublease some of the locations to other operators. Birmingham, Nashville, Minnesota, Tampa



Fee/Leasing Manager Approach

MARKETPLACE DEVELOPMENT

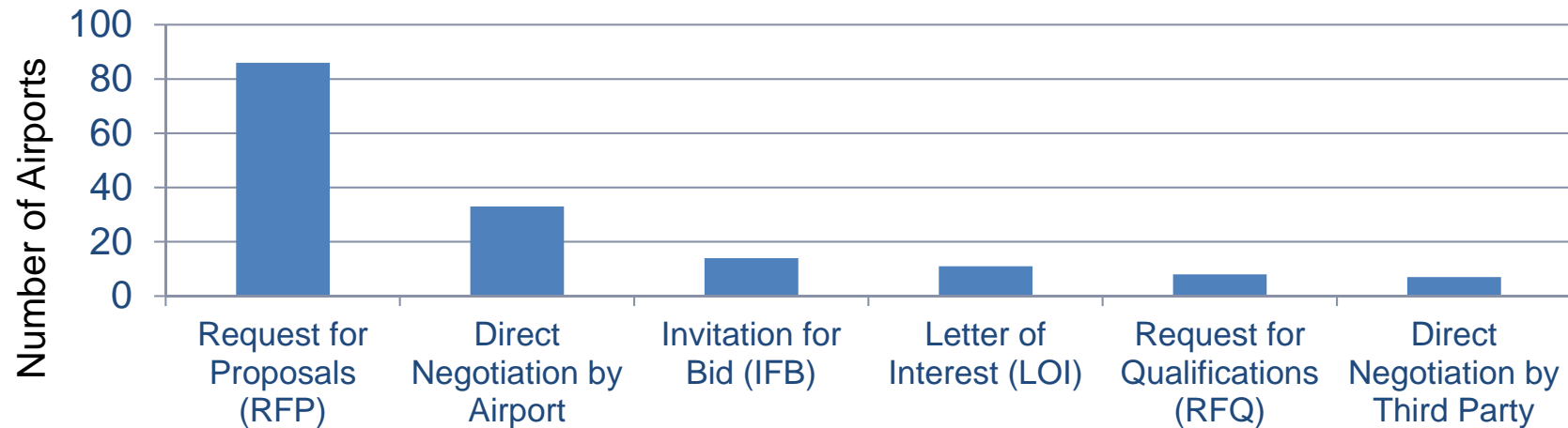
- **Contract began 2013**
 - Leasing
 - Construction Management/Coordination
 - Operations
 - Accounting & Financial
 - Marketing
 - ACDBE Compliance Monitoring





Concessions Planning

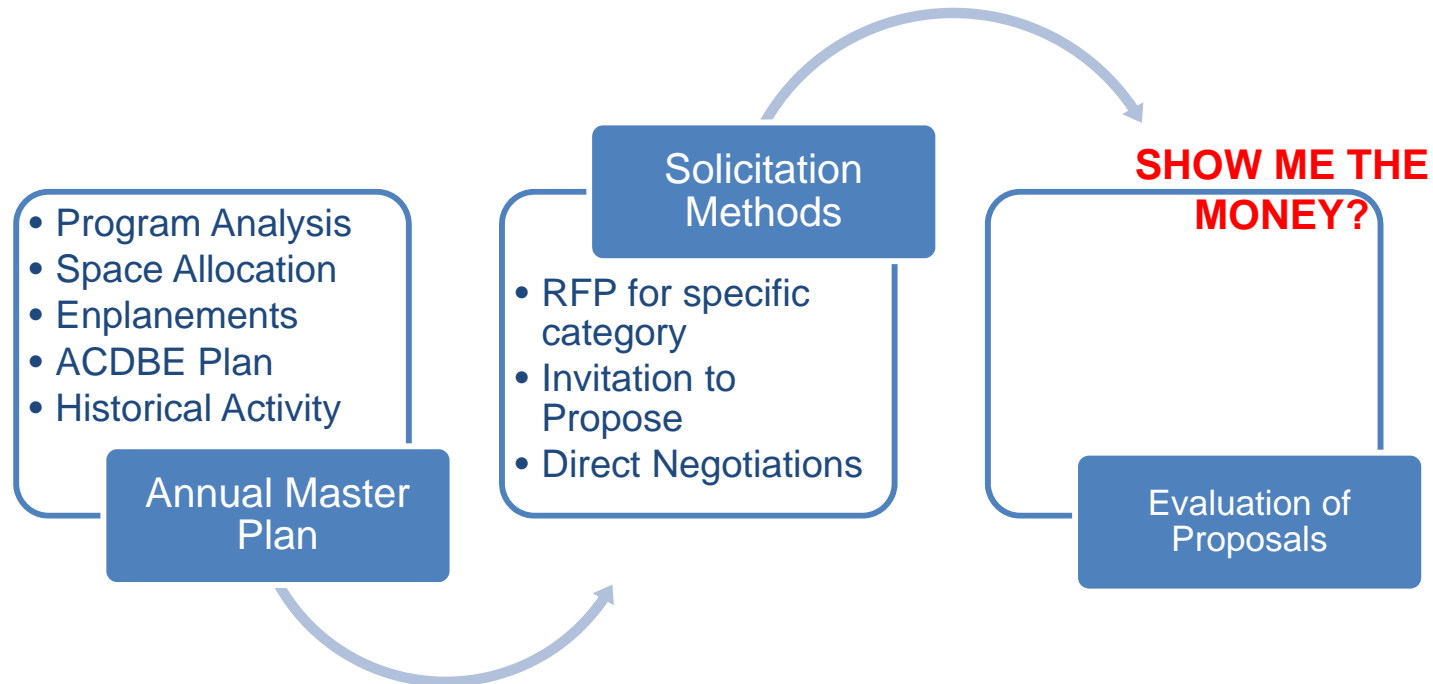
Methods of soliciting & awarding concessions contracts



The most common method of soliciting and awarding concessions contracts is by Request for Proposals (RFPs). However, many airports often use a mixture of methods.



Solicitation Process





Rules of the Road

What do evaluators generally look for when evaluating at proposals?

- Past history in doing business
- Financial capability
- Corporate & management structure
- ACDBE Certification?
- Do you have airport experience?
- What is the concept/brand?
- What is the proposed rent?
- What is the capital investment?
- What is the schedule?





2018-2020 Concessions Opportunities Ronald Reagan Washington National Airport (DCA)

- Project Journey
 - Secure National Hall
 - Anticipate opportunities for a handful of existing and new locations in National Hall
 - New Commuter Concourse
 - 10-14 Retail and F&B opportunities in New Commuter Concourse
- Master Plan Stage
 - Program Analysis ✓
 - Space Allocation
 - Enplanements
 - ACDBE Plan
 - Historical Activity



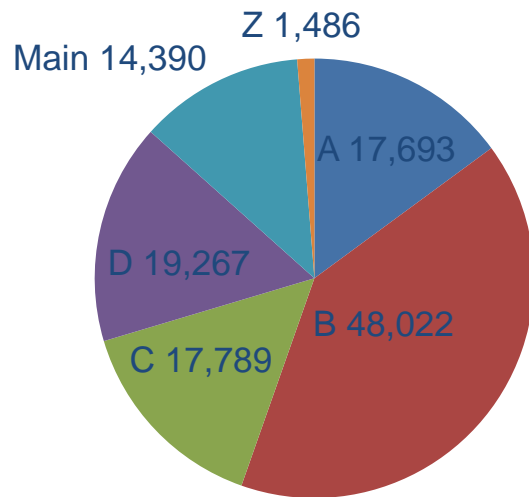
***Information is subject to change at the sole discretion of MWAA**
To be placed on the notification list, send an email to dcleasing@marketplacedev.com



2018-2020 Concessions Opportunities Dulles Washington International Airport (IAD)

Concourse B has the highest concession square footage and the highest concessions sales

Concessions SqFt by Terminal



118,647 Total Concessions Square Feet

Sales by Terminal

A	\$22M
B	\$53M
C	\$35M
D	\$24M
Main	\$16M
Z	\$2M

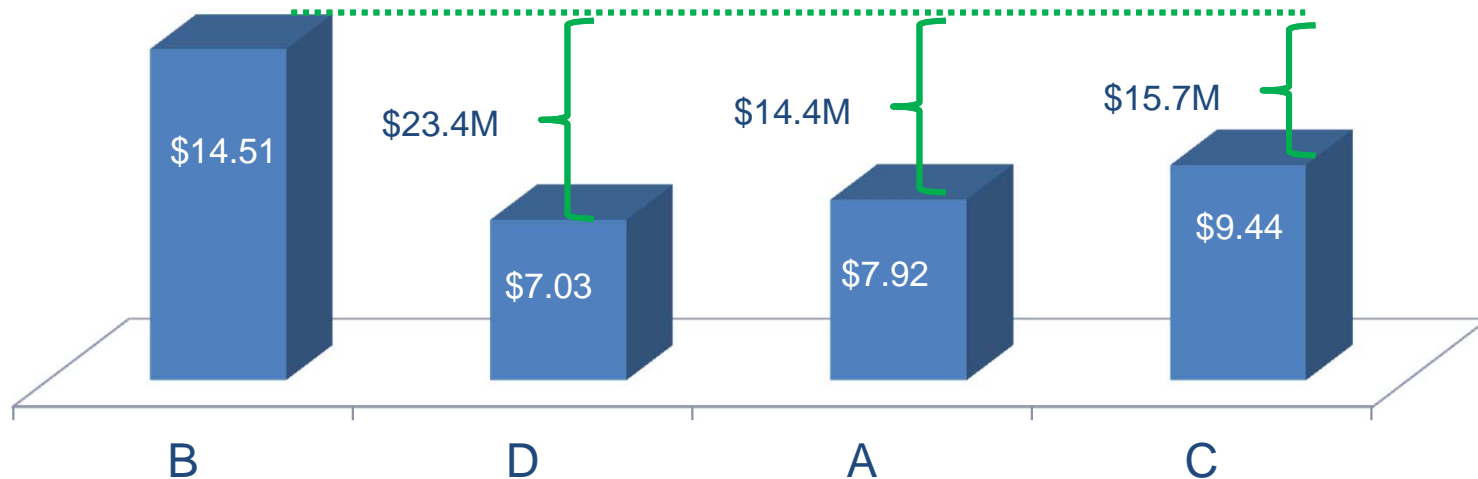
Total \$152M



Concessions Opportunity Cost

For F&B, newsstands and retail, the difference between the sales per passenger achieved in B and that of other concourses represents \$54M of unmet sales and ~\$10M of revenue

2017 Sales per EPAX by Concourse (F&B, Retail, News)



*Duty Free excluded as any ability to impact Duty Free sales will have little impact on MWAA revenue

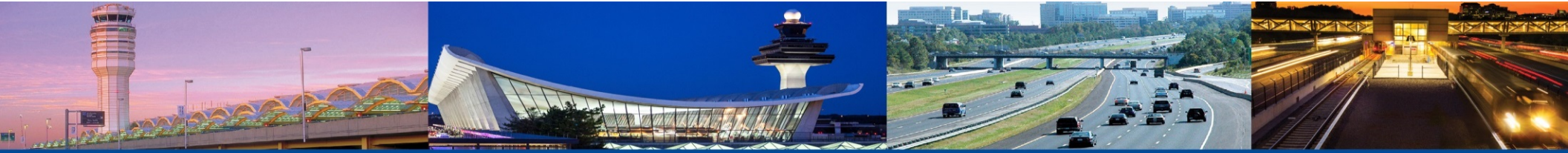


Two Primary Leasing Strategies



Concessions Leasing Strategies:

- Be very strategic about the types of concessions in each space
- Look for small pockets of space that can be repurposed for concessions



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