

NEW  
T1

# Dining & Retail Opportunities @ San Diego International Airport



# Meet Amazing @ SAN

- 3<sup>rd</sup> 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
- Led 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 / Chief Revenue Officer
- 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





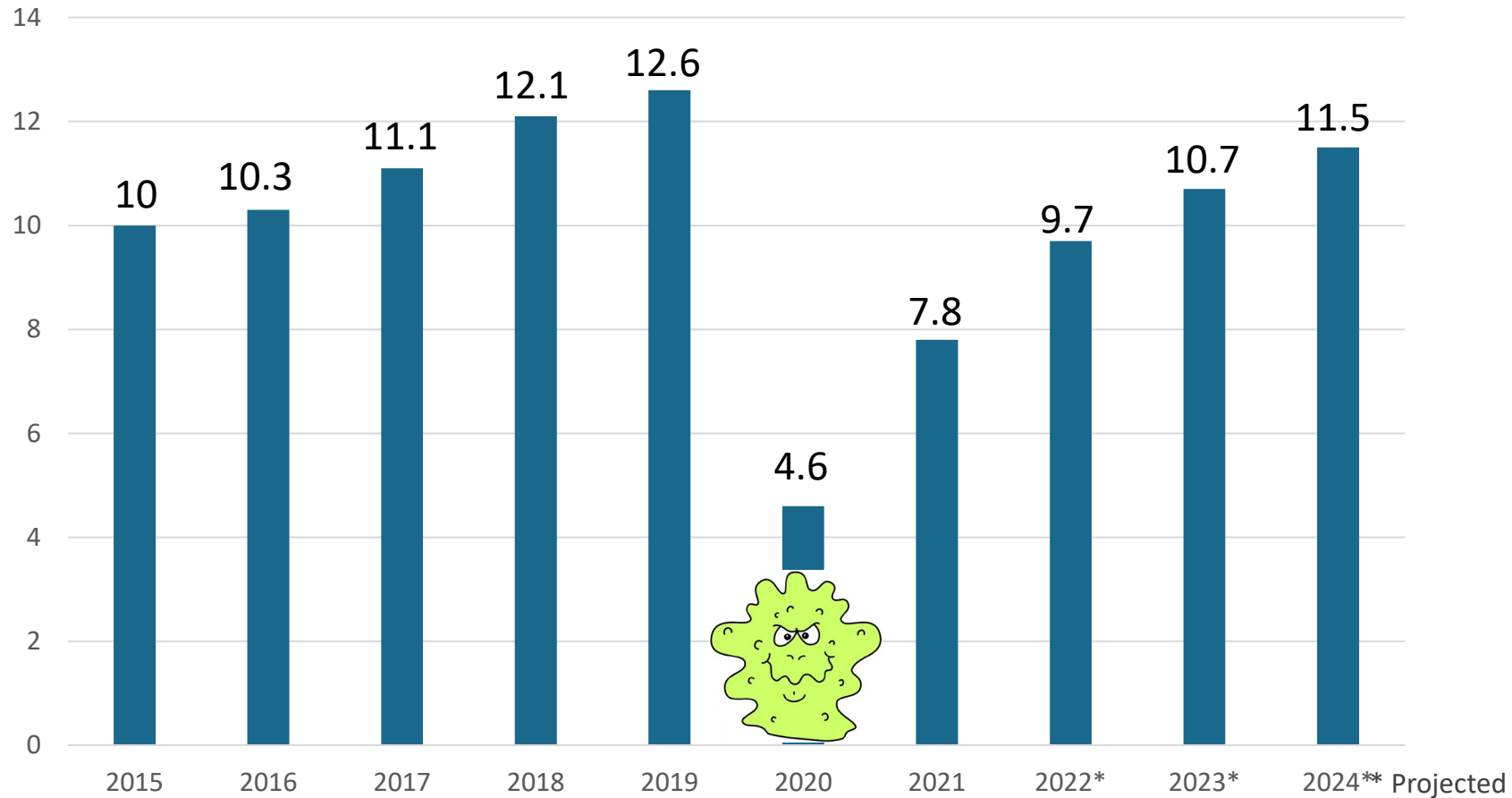
# Happening @ SAN

## INTERNATIONAL AIRPORT & UNIQUELY LOCAL

- Multiple prime concessionaire companies operating multiple units in food & retail
- Numerous joint ventures with minority small business
- Small businesses also operate independent restaurant and retail units
- Phased development and renewal over next several years

# Departing Passengers = Your Customers

Millions of  
Departing  
Passengers  
AIRPORT-WIDE



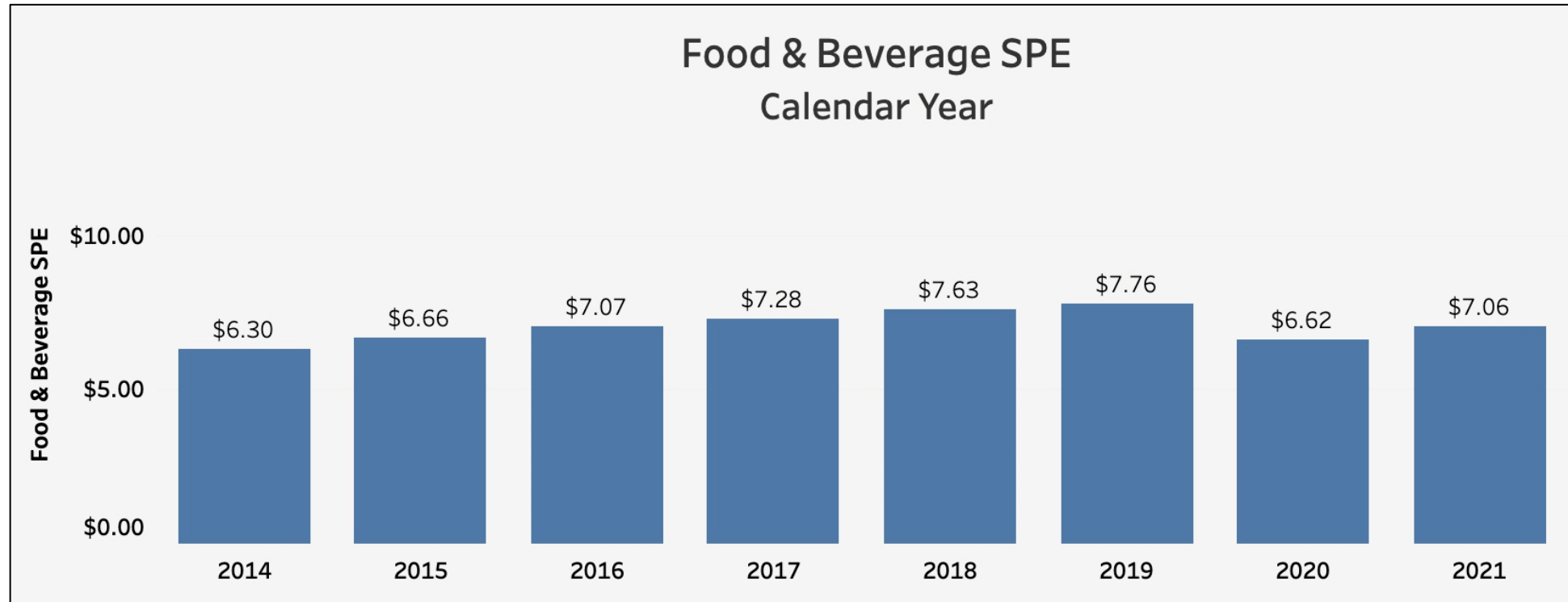
■ Enplanements





# Sales per Departing Passenger

HISTORICALLY STRONG SALES





# SAN New Terminal 1

# Coming in 2025/27

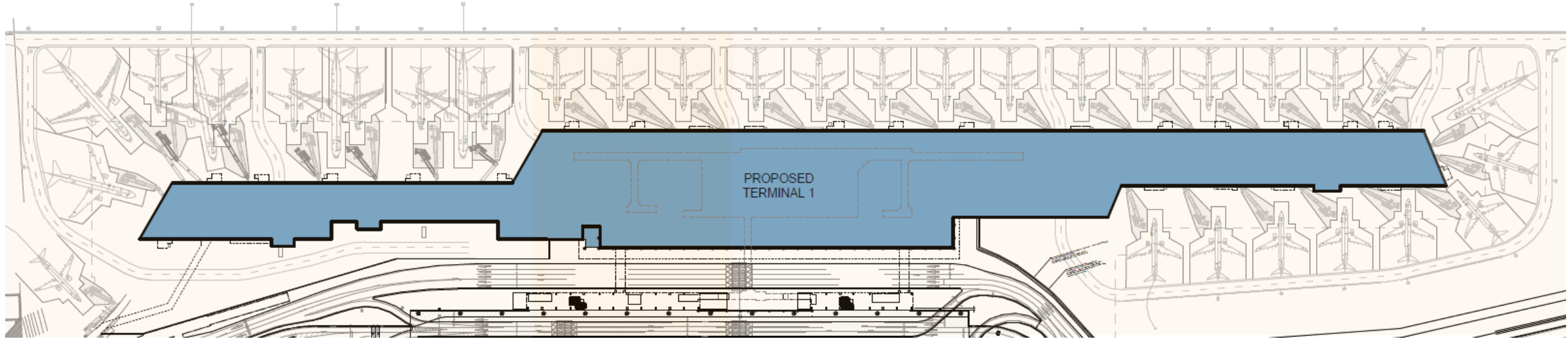
## NT1: TRANSFORMATIVE PROJECT FOR SAN DIEGO

- \$3.4 billion investment in state-of-the-art terminal and landside/airside enhancements
- 1,000,000 square feet
- Two major carriers
- 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

1Q 2026

New Gates: 3

2Q 2025

New Gates: 19

Total New T1 Gates: 30

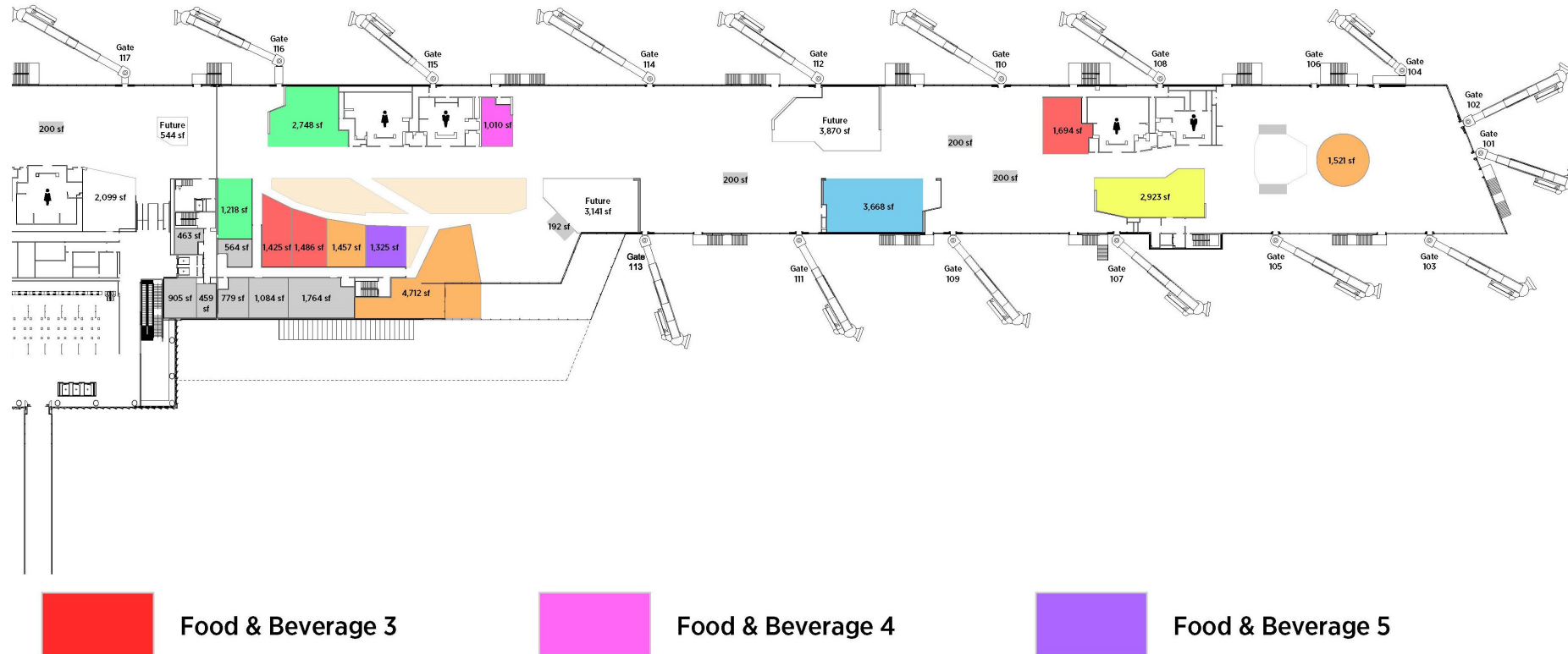
New T1 square footage: 1,000,000

Total Gates Airport-Wide (NT1 + T2): 62

# New Terminal 1 - Departure Level



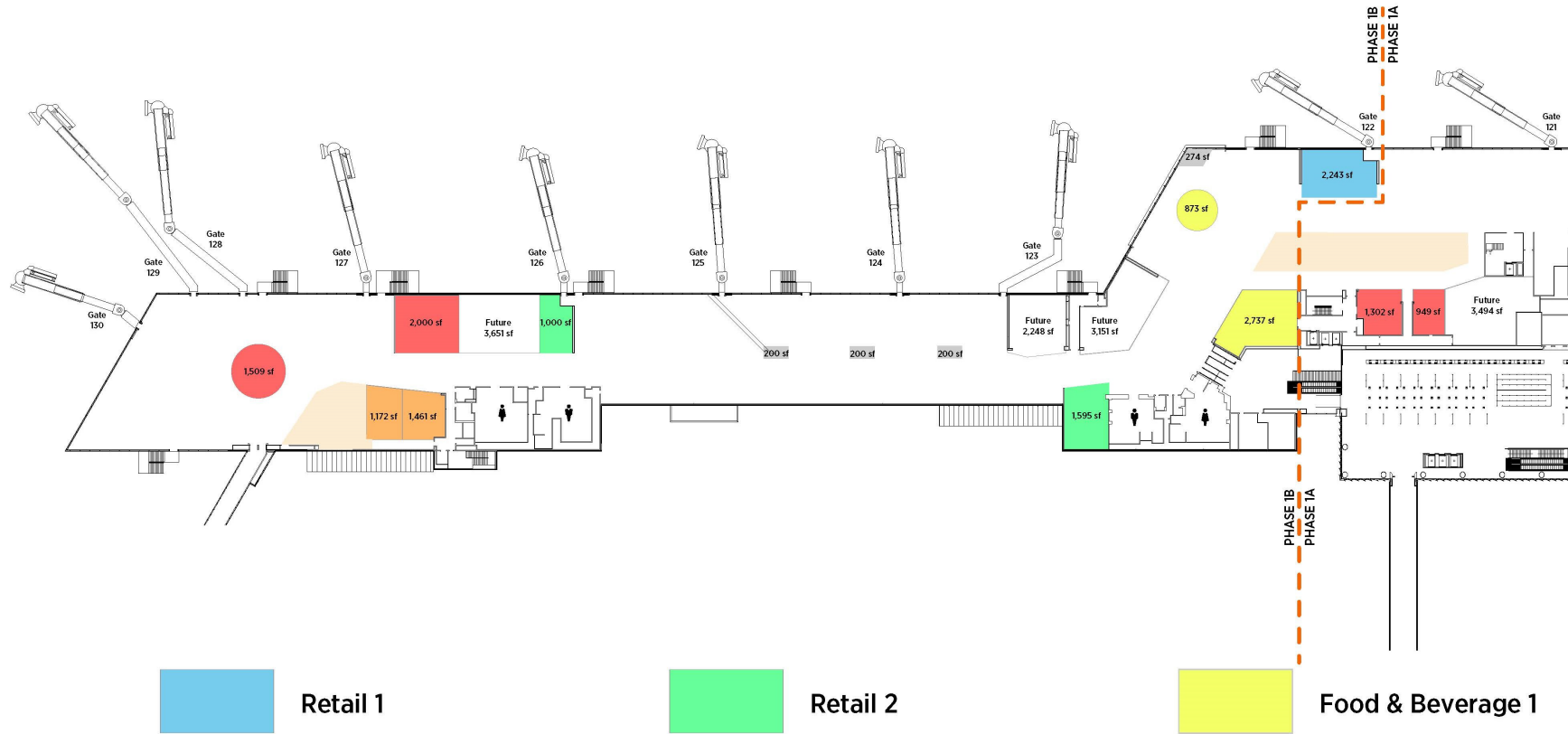
# New Terminal 1 - East







# 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.
- 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 (Airport Concessions Disadvantaged Business Enterprise “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
- Expect 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

# Food Package #1



- Five locations: east & west concourse
- Approximately 9,098 square feet
- Mix of casual dining, coffee, QSR

# Food Package #2



- Five locations: east & west concourse
- Approximately 10,323 square feet
- Mix of casual dining, coffee, QSR
- Includes prime bar location

# Food Package #3



- Five locations: east & west concourse
- Approximately 10,365 square feet
- Mix of casual dining, coffee, QSR

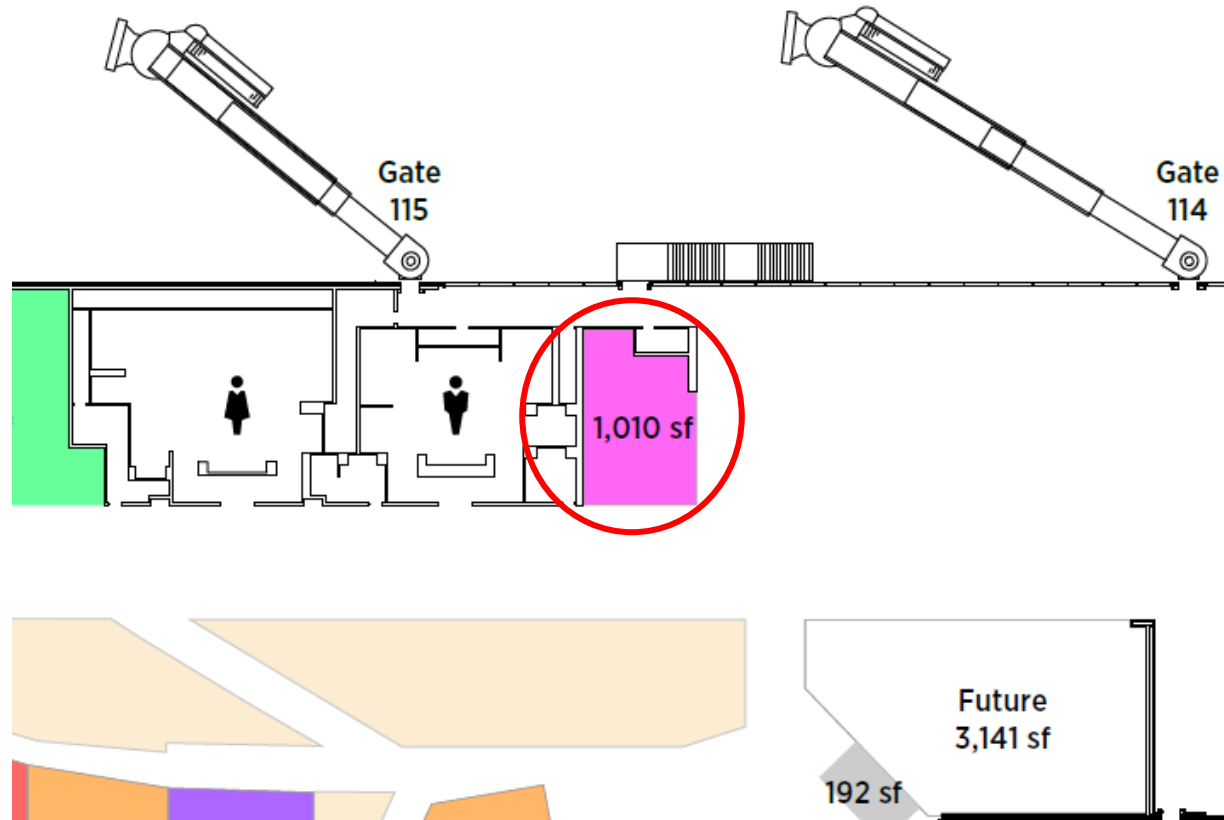


A photograph of an aerialist performing in a purple silk hammock. The aerialist is suspended in the air, holding onto the fabric with both hands and feet. The background is a large, modern building with a complex steel and glass structure, likely an airport terminal. The entire image has a warm, golden-yellow color overlay. The text "Package #4" and "Direct Lease Gourmet Coffee" is overlaid in white, bold, sans-serif font in the center of the image.

# Package #4

## Direct Lease Gourmet Coffee

# Small Business - Gourmet Coffee

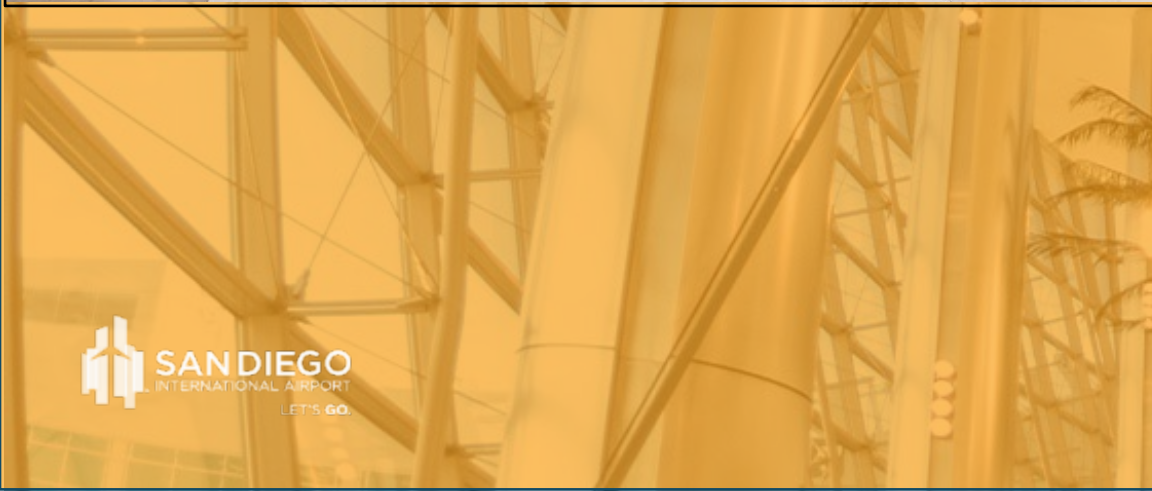






Direct Lease Opportunity

- Gourmet coffee, strong local brand preferred
- ~ 1,010 sf



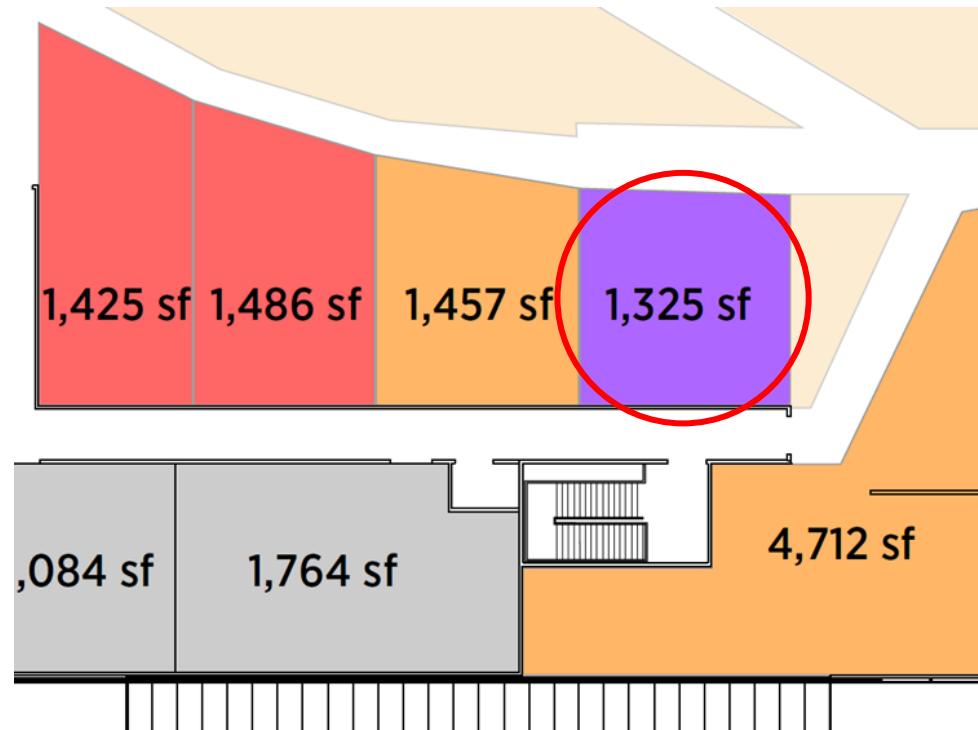




# Package #5 Direct Lease QSR

# Direct Lease - Quick Service

## EAST FOOD COURT LOCATION



### Direct Lease Opportunity

- Strong local or national concept
- ~ 1,325 sf



# Retail Package #1



- Three locations: east & west concourse
- Approximately 7,657 square feet
- Mix of news/gift, convenience, specialty

# Retail Package #2



- Four locations: east & west concourse
- Approximately 6,561 square feet
- Mix of news/gift, convenience, specialty

# Food & Beverage Primes

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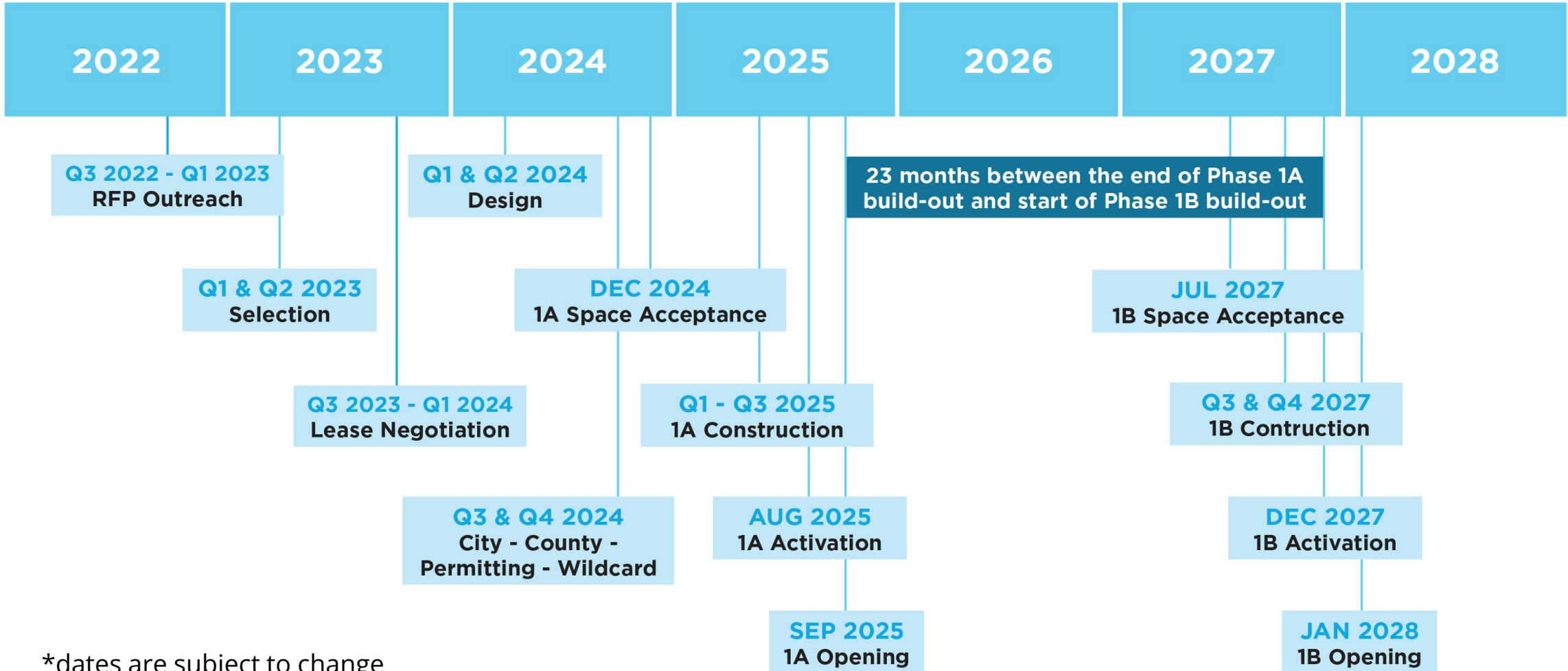
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# Schedule



\*dates are subject to change



# Questions?

More resources:

[www.san.org/business](http://www.san.org/business)

Register for more information & updates:

[www.newT1.com/business-opportunities](http://www.newT1.com/business-opportunities)





Thank You

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