

# Memorandum



CITY OF DALLAS

DATE June 21, 2019

TO Honorable Mayor and Members of the City Council

SUBJECT **June 26, 2019 Agenda Item #6**

On June 26, 2019, the Department of Aviation intends to seek City Council approval to amend the Pop Four Love Field, JV, LLC, a Dallas Love Field Food and Beverage concession contract, to exercise both one-year renewal terms.

Pop Four Love Field JV, LLC was the concessionaire approved by Council Resolution No. 12-0706 on March 7, 2012 to construct and manage two food and beverage locations: Cru Wine Bar in the stem area of the terminal and Bruegger's Bagels in the terminal lobby, pre-security. The Primary Term of the contract commenced November 1, 2014 for a term of 9 years with two one-year renewal terms.

The total food and beverage program for the 12-month period ending March 2019, produced sales of \$65.4 million in 28,844 square feet of space, equating to \$2,267 per square foot. The top selling sit-down food and beverage restaurant (Cool River) produced sales of \$10.5 million over the same period or \$2,023 per square foot. The mainly east coast brand, Bruegger's Bagels, has not resonated with Dallas Love Field's customer base. The sales over the same twelve-month period were \$385,000 or \$308 per square foot.

In discussions between the concessionaire (Pop Four) and the Concessions Management Group, Pop Four acquired a Texas Alcoholic Beverage Commission (TABC) license in 2016 for the sale of alcoholic beverages with the intent to drive additional sales and interest in the brand. Alcohol sales were minimal, and the license was not renewed. Recently, the operator proposed to Aviation staff to rebrand the unit to Dallas Maverick's Bar & Grill, a full-service restaurant with a bar, televisions, and patio seating. Pop Four agrees that this recognizable brand along with a full-service menu and bar will increase sales and improve the customer experience for travelers, meter-greeters and airport employees. The additional term of 2 years will allow greater time to amortize the re-branding expense, which will far exceed the mid-term refurbishment requirement of \$81,250. The concessionaire estimates \$400,000 in capital costs for the conversion of the rebrand.

If you have any questions or concerns, contact Mark Duebner at 214-670-6077.

A handwritten signature in black ink, appearing to read 'Kimberly B. Tolbert'.

Kimberly Bizzor Tolbert  
Chief of Staff

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney (Interim)  
Mark Swann, City Auditor  
Billerae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Majed A. Al-Ghafry, Assistant City Manager  
Jon Fortune, Assistant City Manager

Joey Zapata, Assistant City Manager  
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer  
Michael Mendoza, Chief of Economic Development and Neighborhood Services  
M. Elizabeth Reich, Chief Financial Officer  
Laila Alequresh, Chief Innovation Officer  
Liz Cedillo-Pereira, Chief of Equity and Inclusion  
Directors and Assistant Directors