



**SJC**   
**SAN JOSE  
MINETA  
INTERNATIONAL  
AIRPORT**

# Retail Opportunities

May 22-23, 2024

# Agenda

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SJC at a Glance

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Doing Business at an Airport

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Opportunities at SJC

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ACDBE Program and How to Become Certified

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Questions



This is an informational meeting only, designed to allow for feedback on the proposed concession RFP

Not all content that will be included in the RFP will be reviewed today

Any information included in this presentation is subject to change, and operators should follow the instructions in the RFP and any addenda that may be issued when preparing their response

# KEY DEFINITIONS



- ACDBE-Airport Concession Disadvantaged Business Enterprise
- Enplaning Passenger (Epax)- Someone who boards an aircraft-not someone exiting an aircraft/arriving at SJC.
- Sales per Enplanement (SPE or SEP)-The average (not actual) amount spent by each passenger who boards an aircraft (sales/total enplanements); it is NOT the same as a check average.
- Prime Operator - A company that runs multiple retail stores or restaurants at an airport. They may operate all stores themselves, sublease one or more stores to other operators and/or partner in one or more joint venture(s).

## The following are Concession Concepts All concepts offer opportunities for local businesses to participate

- Specialty Retail: Nationally or locally branded stores that feature specific brands (i.e., Nike, M.A.C., Tumi) or products (i.e., Sports Merchandise, See's). These stores are frequently found at street locations and airports.
- Travel Essentials: Offer convenience items (candy, snacks, bottled beverages, health and beauty aids, souvenirs, etc.). Items can be purchased quickly and efficiently.
- Café: Specialty coffee, pastries, and Grab & Go offerings as well as basic travel essentials merchandise.

## All concepts offer opportunities for local businesses to participate

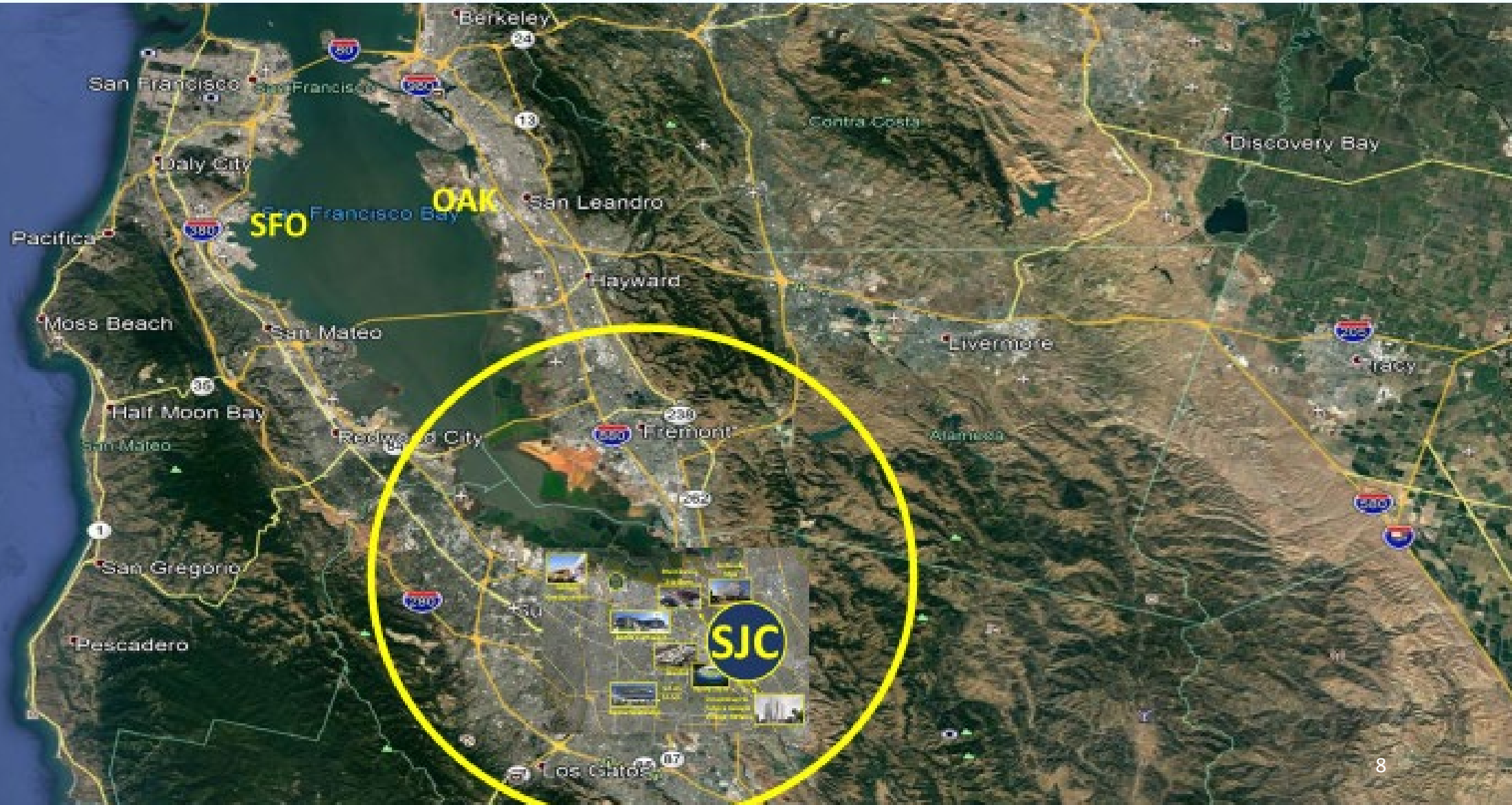
- Hybrid Retail: Stores offer merchandise from both specialty retail, travel essentials, and/or café's. Specialty retail in hybrid stores include local merchandise
- Grab & Go: Food and beverage items such as pre-packaged sandwiches and salads or other items that are either shelf stable or held in coolers.

# SJC at a Glance



# Bay Area Overview: SJC, SFO, and OAK

SJC Serves the Largest Population Base of 3+ Million





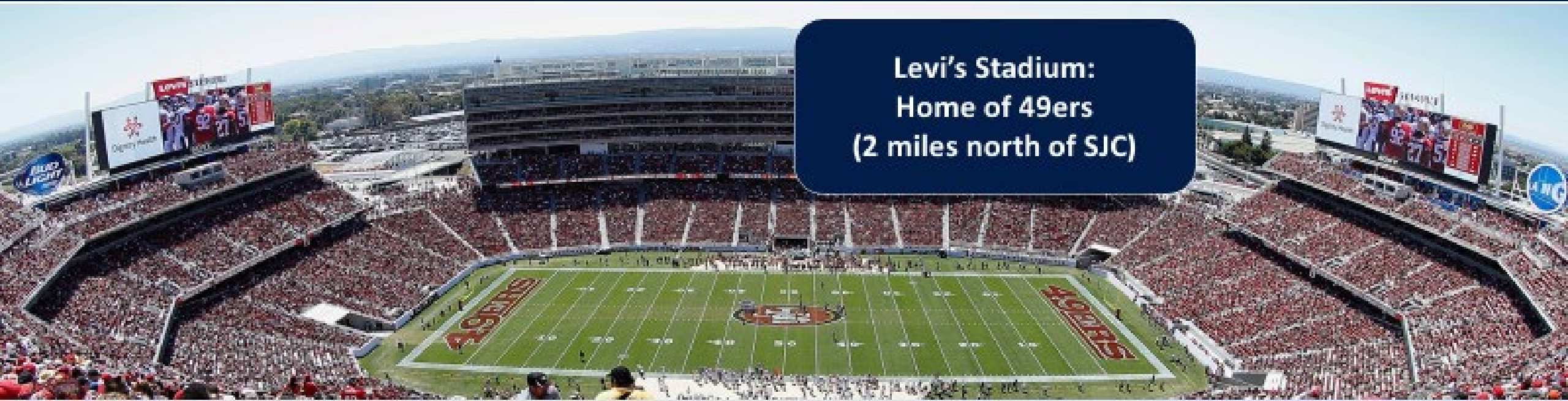
# SJC Proximity to Major Developments

High-Profile Facilities Already Help Define SJC Advantages



# Nearby Sports and Special Events Stadiums

Within Sight of SJC



**Levi's Stadium:**  
Home of 49ers  
(2 miles north of SJC)



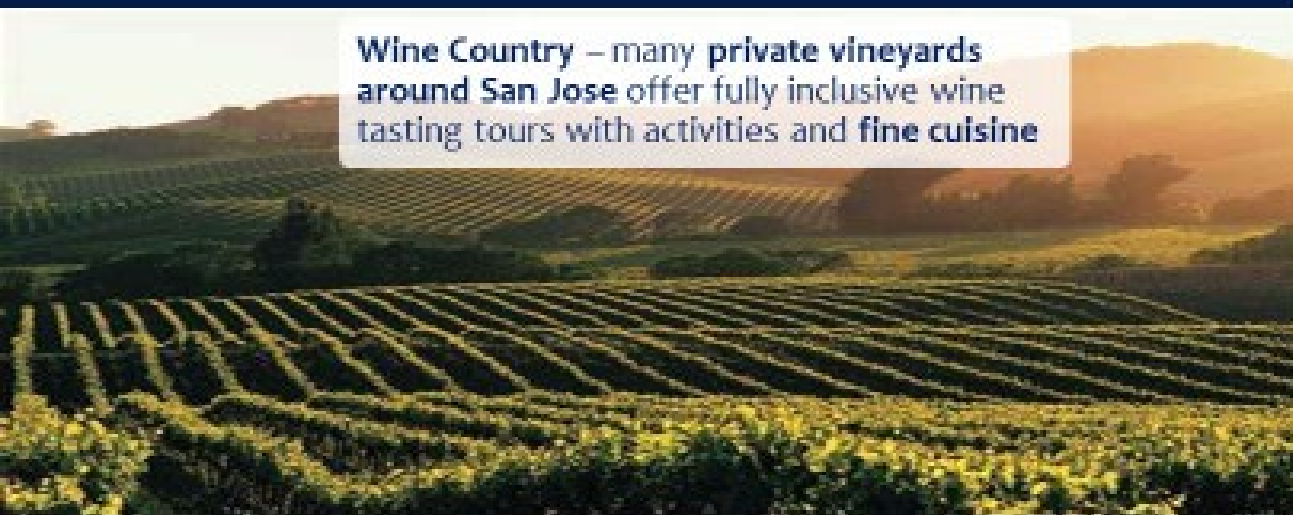
**PayPal Park:**  
San Jose Earthquakes  
(across street from SJC)



**SAP Center:**  
Home of the  
San Jose Sharks  
(2 miles from SJC)

# Leisure, Entertainment, Tourism via San Jose

## Great Access to Region from SJC Airport



Wine Country – many private vineyards around San Jose offer fully inclusive wine tasting tours with activities and fine cuisine



Explore dramatic scenery in several national parks like Yosemite, Santa Cruz Mountains and Big Sur



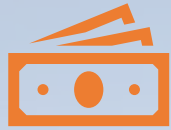
Relax in first class accommodations with championship golf courses and luxury spa and health facilities



Family friendly beaches, luxury resorts and outdoor activities including Santa Cruz, Monterey, Carmel and Pebble Beach



- **12+** million annual passengers
- **2** Terminals with **36** gates
- **10** airlines serve SJC
- Connected to **18** airline hubs
- **40+** nonstop routes



**\$61+** million in total concession sales

**\$41,186,192** GR Food and Beverage

**\$20,200,132** GR Retail



**\$10.14** Sales Per Enplanement

**\$6.80** Food and Beverage

**\$3.34** Retail

# Doing Business at an Airport



# AREAS THAT INFLUENCE SALES



## Airport Considerations

Hours of Operations

Airport Peak/Seasonal Periods

Terminal Configuration

Concession Location



# AREAS THAT INFLUENCE SALES



## Passenger Demographic

**Business vs Leisure**

**Domestic vs International**

**Originating vs Connecting**

**Short Haul vs Long Haul Flights**

# DOING BUSINESS IN AN AIRPORT



Operating at an airport is **NOT** the same as operating street side



Security



Hours of  
Operation



Pricing



Staffing



Customer  
Service



Speed of  
Service



Product  
Delivery



# Key Attributes of a Successful Retailer

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Customer Service  
Value

Variety (Seasonal, Special Events)

Sense of Place

The “wow” factor

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= Sales

# Opportunities at the San Jose Mineta International Airport

# GOALS AND OBJECTIVES

**VARIETY:** A diverse selection of products catering to different needs and budgets

**LOCAL:** Incorporating locally themed merchandise and services and grab and go

**TECHNOLOGY:** Utilizing the latest technology to enhance the shopping experience

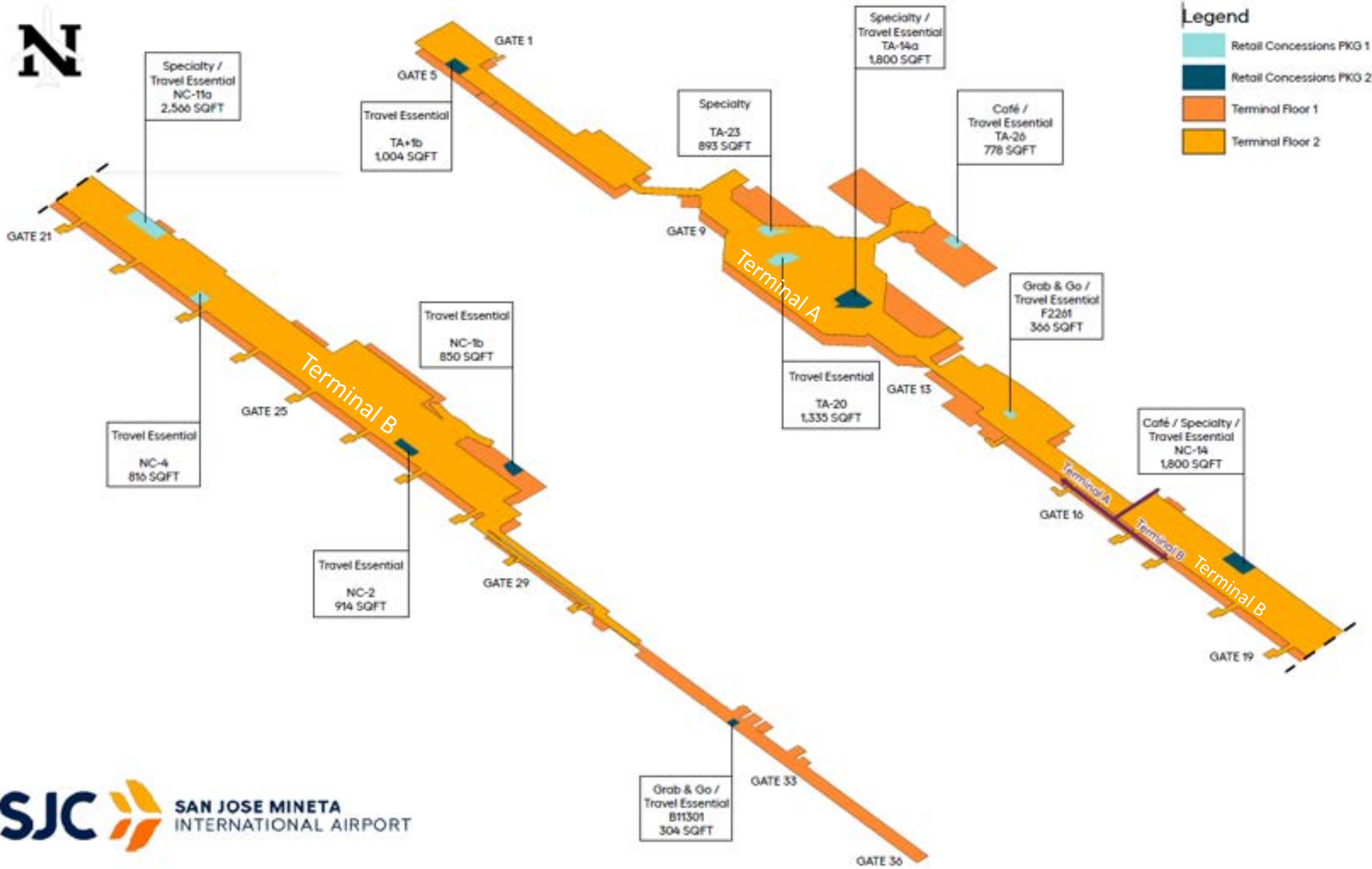
**FINANCIAL:** Allow for a strong financial return by optimizing retail revenue generation





## Request for Proposal (RFP) scheduled to be released in August 2024

- ❑ 2 packages, each consisting of:
  - ❑ 6 retail in-line concession locations with a mix of travel essentials and specialty retail
  - ❑ Approximately 6,700 square feet
  - ❑ Minimum Capital Expenditure: \$800 per square foot
- ❑ Term: 12 Years, starting July 01, 2025
  - ❑ Phased turnover of concession locations July 01, 2025, and July 01, 2026







# Retail Concessions Package 1

Terminal	Gate	Sq. Ft.	Concept Category	Turnover Date
A	9	1,335	Travel Essentials	7/1/2026
A	9	893	Specialty	7/1/2025
A-FIS area	14	366	Travel Essentials	7/1/2025
B	21	2,566	Travel Essentials/ Specialty (Hybrid)	7/1/2026
B	23	816	Travel Essentials	7/1/2026
A	Pre-Security	778	Café/Travel Essentials (Hybrid)	7/1/2025
<b>Total Sq.Ft.</b>		<b>6,754</b>		



# Retail Concessions Package 2

Terminal	Gate	Sq. Ft.	Concept Category	Turnover Date
A	12	1,938	Travel Essentials/Specialty/ Café (optional)	7/1/2025
A	6	1,004	Travel Essentials	7/1/2025
B	19	1,768	Travel Essentials/Specialty (Hybrid)	7/1/2025
B	26	914	Travel Essentials	7/1/2025
B	32	304	Travel Essentials	7/1/2026
B	Pre-Security	850	Travel Essentials	7/1/2026
<b>Total Sq.Ft.</b>		<b>6,778</b>		



# How Small Businesses Can Participate

- ❖ Opportunity for your merchandise and pre-packaged food items to be in the future concession program
- ❖ Partner with other companies as a JV or subconcessionaire
- ❖ Become ACDBE-certified



# PRI Specialty Retail

- 5 Kiosks located in Terminal A and B
- Specialty Retail and Pre-packaged items
- Direct agreement with PRI
- Operator responsible for management and operation of kiosk

<https://www.priretail.com/sjc-airport>



# Airport Concession Disadvantaged Business Enterprise (ACDBE) Program

# Purpose of the ACDBE Program

The ACDBE program was created to minimize concerns related to historical problems with minority discrimination in the award and administration of concession opportunities at airports.

- Create a level playing field
- Help remove barriers

Adherence to ACDBE program regulations is required for an airport to remain eligible to receive federal grants for airport development from the FAA's Airport Improvement Program (AIP).

This is different from the City of San Jose's Local and Small Business Program

# FFY 2024 – 2026 ACDBE Goals



CONCESSIONS GOAL FOR F&B, RETAIL, ADVERTISING AND PASSENGER SCREENING SERVICES, ETC.



GOAL: 7.7%



ACHIEVED: 11.2%



# ACDBE Plan Key Considerations

Demonstration of “Good Faith” efforts toward achievement of goals.

Annual reporting to the FAA by the Airports of participation by concession operators and the companies providing goods and services to the concessionaires.



## ACDBE Contact Information:

**MAGDELINA NODAL** | Senior Analyst

1-408-392-3676

[mnodal@sjc.org](mailto:mnodal@sjc.org)

[Flysanjose.com/standards-and-guidelines/acdbe](https://flysanjose.com/standards-and-guidelines/acdbe)

# Airport Concession Disadvantaged Business Enterprise (ACDBE) Certification

# ACDBE Eligibility Requirements

**Presumed Socially Disadvantaged** – Women, Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, & Subcontinent Asian Americans, Other (as designated by Small Business Administration (SBA), or individual showing); refer to 49 CFR 26, Appendix E.

**Economically Disadvantaged** – **Effective May 9, 2024**, Personal Net Worth not exceeding **\$2.047 million** (adjusted from \$1.32 million), excluding retirement assets, equity in the primary residence and applicant business.

**Business Size Standards** – A firm (including affiliates) must be a small business as defined by SBA standards. For most types of businesses, gross receipts averaged over the previous 5 years must not exceed:

- ACDBEs – **\$56.42 million**
- Car rental companies: **\$75.23 million** (Average annual gross receipts over the firm's five previous fiscal years).

**Ownership & Control** – The firm must be at least **51% owned and controlled** by one or more socially and economically disadvantaged person(s), or, in the case of a corporation, in which 51% of the stock is owned by one or more such individual(s).

**Independence** – The 51% majority owner(s) must be free of any formal or informal restrictions that would affect their ability to own and/or control the firm.

# ACDBE Certification Application Processing

1. Uniform Certification Application: <https://flysfo.gob2g.com/>
2. Click the Apply for / Renew Certification button
  - Personal Net Worth Statement (PNW) must be notarized
3. Certification Specialist preliminary review: documentation
4. Within 30 days: notice if the application is complete and suitable for evaluation
5. In-person/virtual site visit
6. Certification decisions within 90 days
7. Certified firms will be added to the following directories:
  1. State database at <https://californiaucp.dbesystem.com/>
  2. Federal database at <https://faa.dbesystem.com/Default.asp>

# Application Documents Requested

- Federal Tax Returns – Personal & Business (current 5 years)
- Professional Licenses
- Employee Data Verification
- Nationality and Gender Verification
- Proof of Ownership Contributions
- Place of Business Verification & List of Other Real Estate
- Articles of Incorporation/ Partnership Agreements
- Personal Net Worth Statement

# Interstate Certification

1. Must be certified in the home state before seeking certification in another state.
2. Out-of-State Declaration: <https://flysfo.gob2g.com/>
3. Must submit a complete package of all the documents submitted to their home state
4. On-site report requests from the home state
5. Certification decision within 10 days (adjusted from 60 days; effective May 9, 2024)



# Annual Update and 5-Year Review

<b>Document</b>	<b>Annual Update</b>	<b>5-Year Review</b>
Declaration Form	X	X
Business Income Tax (including all schedules, forms and worksheets)	X	X
Personal Federal Income Tax Returns		X
Personal Net Worth Statement		X
Year-end Balance Sheets and Income Statements		X
Minutes of stockholders and Board of Director's Meetings		X

# Please apply at the certifying agency nearest you

California Certifying Agencies	Type of Certification	To Apply
California Department of Transportation (Caltrans)	DBE/ACDBE	<a href="http://www.dot.ca.gov">www.dot.ca.gov</a>
Bay Area Rapid Transit (BART)	DBE	<a href="http://www.bart.gov">www.bart.gov</a>
City of Fresno	DBE	<a href="http://www.fresno.gov">www.fresno.gov</a>
City of Los Angeles	DBE/ACDBE	<a href="http://bca.lacity.org">http://bca.lacity.org</a>
Los Angeles County Metropolitan Transportation Authority (METRO)	DBE	<a href="http://metro.gob2g.com">metro.gob2g.com</a>
San Francisco Municipal Transportation Agency (SFMTA)	DBE/ACDBE	<a href="http://www.sfmuni.com">www.sfmuni.com</a>
San Mateo County Transit District (SAMTRANS)	DBE	<a href="http://www.samtrans.com">www.samtrans.com</a>
San Diego International Airport (SAN)	DBE/ACDBE	<a href="http://www.san.org/smallbusiness">www.san.org/smallbusiness</a>
San Francisco International Airport (SFO)	ACDBE	<a href="https://flysfo.gob2g.com/">https://flysfo.gob2g.com/</a>
Santa Clara Valley Transportation Authority (VTA)	DBE	<a href="http://www.vta.org/osb">www.vta.org/osb</a>

# SFO Small Business Compliance Management System

<https://flysfo.gob2g.com/>

**SFO** San Francisco International Airport

OUR MAIN SITE CONTACT SUPPORT

## Small Business Compliance Management System

Log In

**Vendor Certification**  
Search and/or join our database of certified vendors  
[Apply for / Renew Certification](#)  
Search Directory of Certified Firms  
Search our CUCP database of certified vendors  
[Search Directory of CUCP DBE Certified Firms](#)  
How to use the system  
Learn how to fully utilize our system with a live trainer  
[Training](#)

**Contracting Opportunities**  
Events and Contracting Opportunities  
[Opportunities and Events](#)  
[View and Post Contracting Opportunities](#)

**Account Access**  
Lookup Vendor accounts or reset user passwords  
[Account Lookup](#)  
[Forgot Password](#)

**About the System**  
Learn more about this system and how it works today  
[Information for Vendors](#)

The Small Business Compliance Management System is powered by S2G2.com Software © Copyright 2020.

# Social Responsibility Office

## Office Hours

Monday through Thursday

9:00 am – 12:00 pm and 1:30 pm – 4:00 pm

## Contact

(650) 821-5021 or email [smallbusiness@flysfo.com](mailto:smallbusiness@flysfo.com)

## Location

Business and Career Center

International Terminal A – Departures Level

(across from the SFO Medical Clinic)



# Overview

## **RFP TENTATIVE TIMELINE**

**RFP Release Date:  
August 15, 2024**

**Pre-Proposal  
Conference and Site  
Tour:  
September 2024**

**Proposal Deadline:  
November 2024**

**Council for Award:  
Early 2025**

**Turnover Dates:  
July 1, 2025  
and  
July 1, 2026**



# Prime Operator Introductions



# Questions





## Contact Information:

**REBEKAH BRAY** | Principal Property Manager

[rbray@sjc.org](mailto:rbray@sjc.org)

**JANELLE DILUZIO** | Retail Property Manager

[jdiluzio@sjc.org](mailto:jdiluzio@sjc.org)

Retail RFP Updates: <https://www.flysanjose.com/retailatsjc>