



AIRPORT GIFT SHOP CONCESSION  
AGREEMENT AT KILLEEN FORT HOOD  
REGIONAL AIRPORT (KFHRA)

RS-21-006

January 19, 2021

# Background

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- ❑ The current Airport Gift Shop operator notified airport staff that she did not intend to extend the current lease which expired on September 30, 2019
- ❑ An RFQ was issued in September 2019 to solicitate offers to operate the Airport Gift Shop, but there were no responses
- ❑ Airport Staff continued to search out interested parties for several months with no success

# Discussion

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- ❑ Current tenant agreed to stay on a month-to-month basis until we found another tenant
- ❑ September 2020, Staff reached out to Tailwinds Concession
- ❑ Tailwinds is a very experienced airport concession company
  - ▣ In business since 2001
  - ▣ 25 Airport locations across the United States
  - ▣ Specializes in regional airports similar to KFHRA

# Discussion

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- ❑ Staff has negotiated a lease agreement with Tailwinds to operate gift shop concessions at the Killeen-Fort Hood Regional Airport
- ❑ Agreement includes basic rent plus percentage of gross profit estimated to be \$9,732 per year depending on sales
- ❑ The term of the lease agreement is for two (2) years, eleven (11) months beginning March 1, 2021 and ending January 31, 2024

# Alternatives

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- ❑ Do not approve the Airport Gift Shop concession agreement
  - ▣ Airport continue without concessions
  - ▣ Loss of potential revenue to the Airport
  
- ❑ Accept the Airport Gift Shop concession agreement
  - ▣ Provides excellent service to customers
  - ▣ Provides a consistent line of business revenue for KFHRA

# Recommendation

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- Approve the Airport Gift Shop concession agreement with Tailwinds Concessions, Inc. and authorize the City Manager or designee to execute same as well as any and all amendments and/or lease actions to the agreement as allowed per federal, state, or local law.