



October Commission Report

Director's Update

Given by Rebecca Hupp, Airport Director
Boise Airport

OCTOBER 4, 2023

Public Parking Garage – Phase 4



- Light poles have been installed on east surface parking lot is being paved
- Working to have surface lot open for the Thanksgiving travel season

Employee Parking Garage Construction



- Stairs have been installed in stair 2 and garage ceilings are being painted
- Framing for metal fascia and framing for the perforated metal panels continues to be installed

Rotunda Art Support

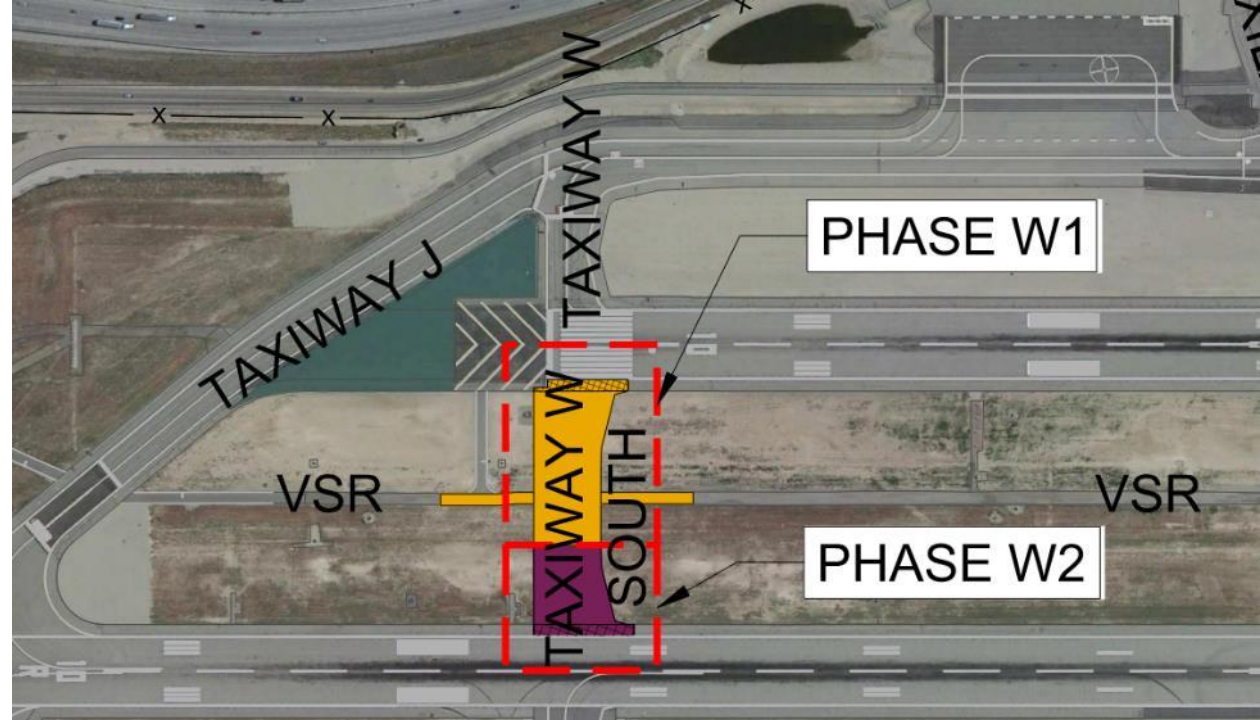
- Installation of four steel supports below the rotunda skylight is in progress
- Supports will make future art installation and suspension possible in the rotunda
- Construction of the steel supports will be completed by mid-October
- Replacement of the rotunda skylights will occur in spring/summer 2024



Taxiway Whisky

Phase 2

- Construction on Phase 2 started September 5th and is expected to take 40 calendar days
- Runway 10R is closed due to construction
- Paving started October 2nd and will take three days
- Anticipating this phase to be completed by Mid-October



Taxilane N and S Extension Construction



- Relocated vehicle service road was paved on September 11th
- Taxilane S Extension was also paved on September 11th
- Final punchlist work and pavement markings are in progress

SE Hangar Access Road

- Construction started July 31st and is expected to take 70 calendar days
- Lighting and fencing to be completed mid-October
- Service road will provide access to future hangar sites



New Parking Operator Selected

- The Boise Airport issued a Request for Proposals this summer to begin the process of selecting an operator for our parking facilities
- Boise-based company, The Car Park, was awarded the 3-year contract and will begin management duties on November 1st
- The Car Park also operates BOI's valet parking



Thank you, Corporal Damer (and Lubo)!

- Corporal Damer was BOI's first K9 officer and has had three explosive detection K9's throughout his career, including Lubo
- Highlights from Officer Damer's 23 years in law enforcement include:
 - Working three national security events
 - Responding to 25 bomb threats
 - Performing 72 dignitary support missions
 - Holding 4,223 cargo searches
 - Spending 4,388 hours on foot patrol at the Boise Airport



Black Market Gelato: Now Open



- The first tenant of the airport's non-aeronautical, build-to-suit development officially opened its doors in September
- Black Market Gelato celebrated their new facility with a ribbon-cutting and ceremony
- This project is part of the master development agreement with Boise Airport Industrial Holdings, LLC

Jill Singer Named to NWAAAE Board



- Jill Singer was made the West Representative on the NWAAAE Board for 2023-24
- NWAAAE is an affiliate of AAEE, the world's largest professional organization representing the men and women who work at commercial and general aviation airports

End of Summer Appreciation Event

- The Boise Airport celebrated the huge contributions our employees have made this summer with an employee appreciation party
- Achievements include a record-breaking summer for passenger travel, passing our Part 139 Inspection, FAA Financial Audit, opening the East Parking Garage and helping host Gowen Thunder



BOI Chamber Sponsorship

- As part of the Airport's Annual Sponsorship agreement with the Boise Metro Chamber of Commerce, we are sponsoring today's CEO Speaker Series featuring Sanjay Mehrotra, President and CEO for Micron Technology



Oct 4 | 12:30 to 2:00 p.m.
Stueckle Sky Center

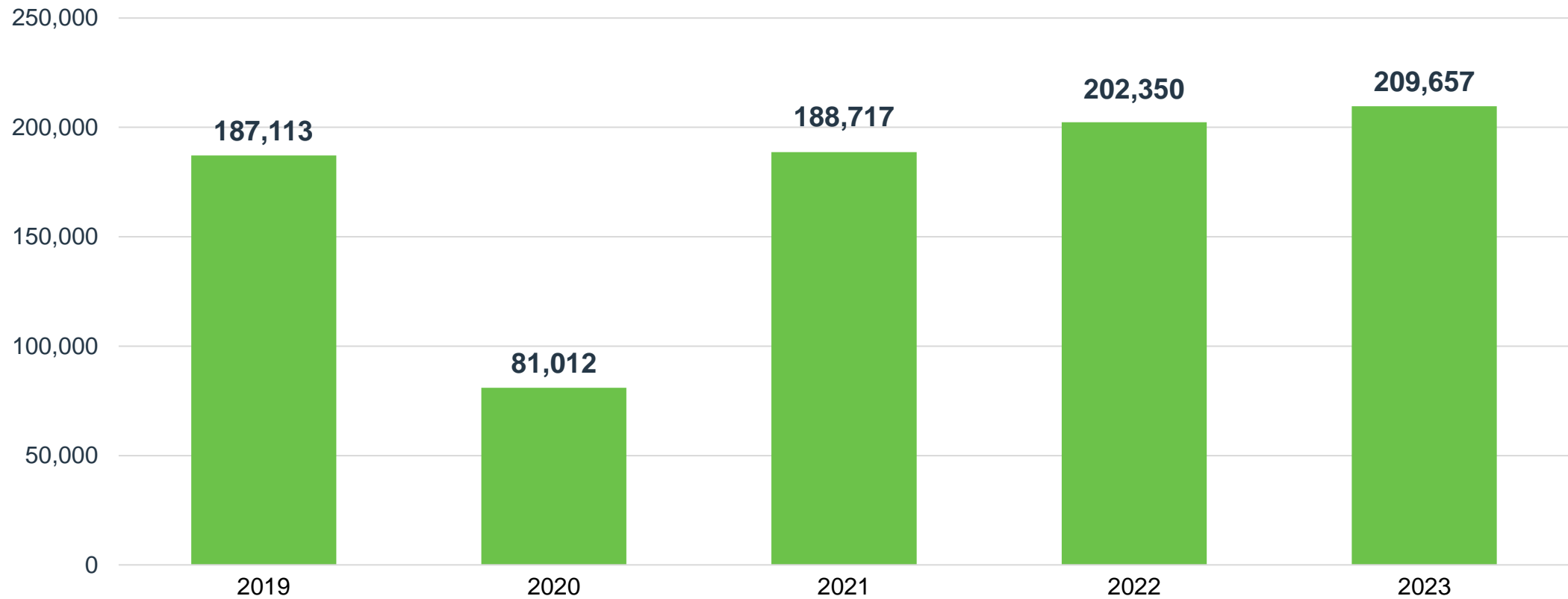
Ed Stimpson Enshrined in National Aviation Hall of Fame

- The late Ed Stimpson was inducted to the National Aviation Hall of Fame in September
- Ed was recognized as a business aviation legend for his 40+ years of service in multiple leadership roles, including the first president of GAMA
- Ed drove policy in key areas such as fuel, education, and GA—and was an important part of our very own Airport Commission



August Enplanements

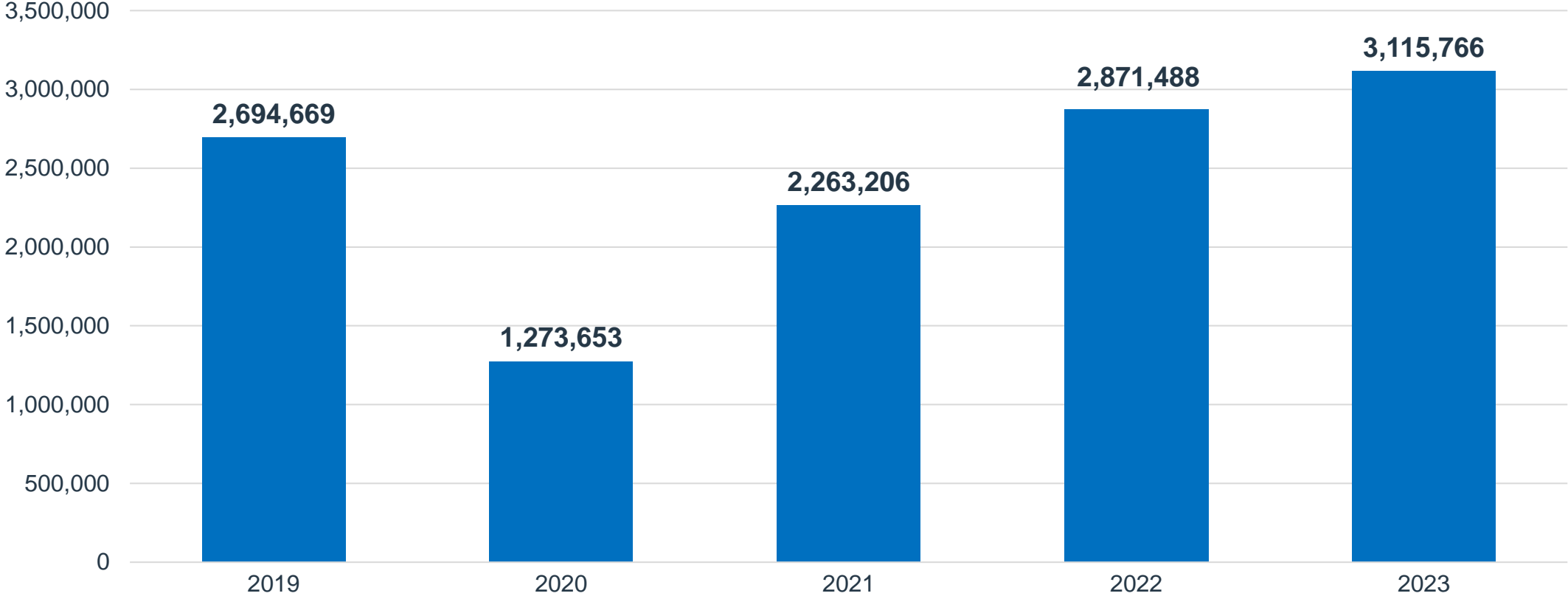
Up 4% from August 2022



2023 Total Passengers (through August)

Up 9% over 2022

Total Passengers



Top 10 Operating Revenue Description	FY 2023	FY 2022	\$ Change	% Change
Parking Lot	\$ 15,074,216	\$ 13,427,836	\$ 1,646,380	12%
Rental Car Concession	\$ 4,994,866	\$ 5,540,615	\$ 223,343	4%
Signatory Airline Landing Fees	\$ 5,756,707	\$ 2,766,210	\$ 2,990,497	108%
Terminal Rent - Airlines	\$ 4,087,579	\$ 3,364,783	\$ 722,796	21%
Industrial Land Rent	\$ 3,770,617	\$ 3,640,511	\$ 130,106	4%
Terminal Concessions – Food/Beverage	\$ 1,050,406	\$ 1,107,397	(\$ 56,991)	-5%
Terminal Concessions – Retail	\$ 982,298	\$ 991,079	(\$ 8,781)	-1%
Landings/Freight	\$ 952,274	\$ 829,703	\$ 122,571	15%
Employee Parking Permits	\$ 579,283	\$ 511,350	\$ 67,933	13%
Terminal Rent – Non-Airlines	\$ 535,794	\$ 525,081	\$ 10,713	2%
Total Top 10 Operating Revenue	\$ 38,553,132	\$ 32,704,565	\$ 5,848,567	--
Other Operating Revenue	\$ 3,829,437	\$ 3,266,190	\$ 563,247	17%
Total Operating Revenue	\$ 42,382,569	\$ 35,970,755	\$ 6,411,814	18%

Top 10 Operating Expenses Description	FY 2023	FY 2022	\$ Change	% Change
Personnel	\$ 11,568,931	\$ 9,823,823	\$ 1,745,108	18%
Indirect Cost Reimbursement	\$ 3,948,154	\$ 3,495,276	\$ 452,878	13%
Parking Management	\$ 3,759,519	\$ 2,388,997	\$ 1,370,522	57%
Policing Service	\$ 3,032,533	\$ 3,032,533	\$ 0	0%
Fire Service	\$ 2,871,034	\$ 2,871,034	\$ 0	0%
R/M – Structural/Electrical/Plumbing	\$ 1,106,581	\$ 665,899	\$ 440,682	66%
Power	\$ 928,042	\$ 779,582	\$ 148,460	19%
Chemicals	\$ 789,293	\$ 451,875	\$ 337,418	75%
R/M – Fleet Management	\$ 587,403	\$ 535,715	\$ 51,688	10%
Minor Equipment	\$ 429,085	\$ 183,423	\$ 245,662	134%
Total Top 10 Operating Expenses	\$ 29,020,574	\$ 24,228,157	--	--
Other Operating Expense	\$ 5,488,502	\$ 5,263,598	\$ 224,904	4%
Total Operating Expense	\$ 34,509,076	\$ 29,491,755	\$ 5,017,321	17%

The logo features a stylized graphic of three curved lines in shades of blue and green, resembling a wing or a leaf, positioned above the text.

Boise Airport

www.iflyboise.com



Food & Beverage and Retail Concessions Program *Assessment and RFP Planning*

Amy Snyder, Business Development Manager
Boise Airport

OCTOBER 4, 2023

Discussion Points

- Current Program
 - Background Information
 - Program Performance & Benchmarking Analysis
- Concession Trends
- New Program
 - Program Goals
 - Space Requirements
 - Proposed Concept Plans and Sales Projections
 - Leasing Strategy

Current Program

Terminal:

Food & Beverage and Retail Concessions

- Current Concessionaires:

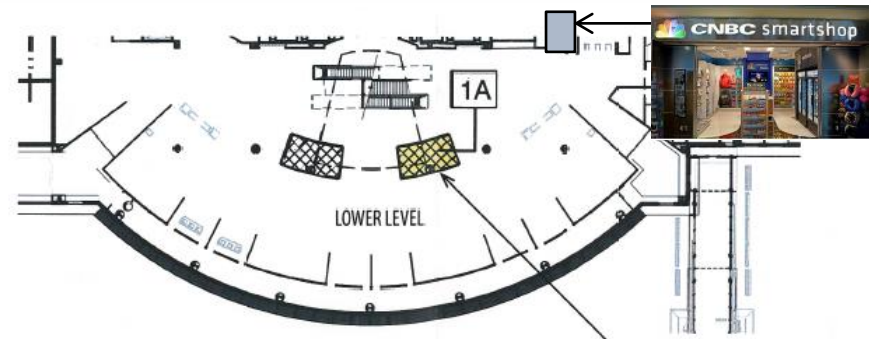
Paradies Lagardère
TRAVEL RETAIL



- 10-year contracts expire 9/30/24
- Contracts awarded based upon Public Solicitation (Request for Proposal/RFP)
- Terminal Liquor License owned by City of Boise (Airport) leased to Food & Beverage Concessionaire
- Retail beer/wine license separate and owned by Concessionaire

Current Food and Beverage Program

Loc	Concept	Type	SF
Pre	Parrilla Grill/13th St Pub	Bar/Café	2,216
Ctr	Bardeney	Full-Serve	2,669
Ctr	Einstein Bagels	QS	1,405
Ctr	Smashburger	QS	1,558
B	Cross Grain Brewhouse	Full-Serve	2,347
B	River City Coffee	Coffee	874
C	Harvest Grounds	Coffee	275
Total SF			11,344



Gift Shop Permanently Closed (Checkpoint Expansion)

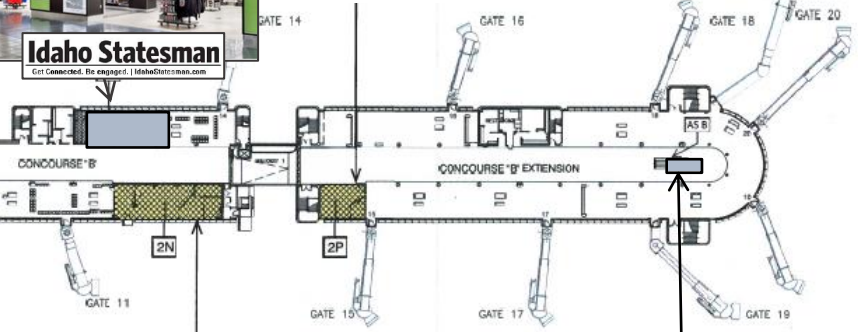


Current Retail Program

Loc	Concept	Type	SF
Pre	94.9 The River	News	874
Ctr	Greenbelt Magazine	News	2,646
Ctr	Forever Heather	Specialty	650
Ctr	Art Source Gallery	Specialty	726
B	Idaho Statesman	News	1,460
B	CNBC Express	News	400
C	CNBC Smart Shop	News	340
Total SF 2019			6,222
Closed Units: 94.9 The River and Forever Heather			(1,524)
Total SF 2023			4,698



Cross Grain



Program Performance & Benchmarking

Program Performance

Key Metrics

- Gross Sales (Revenue)
- Sales (Revenue) per Enplanement
- Sales (Revenue) per Square Foot
- Utilization Factor (UF) = Concessions SF per 1,000 EPs

Goal is to have a balanced program

Benchmarking Airports

Important Thing to Note: No Two Airports are Alike

Factors distinguishing airport concession programs:

- Business vs. leisure
- Passenger's originating airport
- Dwell time and walking distances
- Passenger demographics
- Specific to concessions:
 - Location
 - Visibility and accessibility
 - Size and configuration of spaces
 - Age of program
 - Design and attractiveness of units
 - Concepts

FOOD AND BEVERAGE

Benchmark 10 Airports **CY 2019**

Enplaned Passengers (EPs) 1.5 - 3.5 Million

Airport	City/State	Enplaned Passengers	Square Feet	UF Factor	Gross Sales	Sales/SF	Sales/EP
1. General Mitchell International	Milwaukee, WI	3,449,987	32,285	9.4	\$ 26,520,339	\$ 821	\$ 7.69
2. Reno-Tahoe International	Reno, NV	2,224,741	12,487	5.6	\$ 14,768,257	\$ 1,183	\$ 6.64
3. Long Beach Airport	Long Beach, CA	1,790,977	6,015	3.4	\$ 10,828,849	\$ 1,800	\$ 6.05
4. Charleston International	Charleston, SC	2,429,754	9,825	4.0	\$ 13,747,921	\$ 1,399	\$ 5.66
5. El Paso International	El Paso, TX	1,792,049	16,631	9.3	\$ 10,121,605	\$ 609	\$ 5.65
6. Birmingham-Shuttlesworth	Birmingham, AL	1,545,308	9,313	6.0	\$ 8,683,881	\$ 932	\$ 5.62
7. Spokane International	Spokane, WA	2,061,144	10,311	5.0	\$ 10,389,180	\$ 1,008	\$ 5.04
8. Tucson International	Tucson, AZ	1,897,590	14,510	7.6	\$ 9,254,836	\$ 638	\$ 4.88
9. Memphis International	Memphis, TN	1,704,553	12,396	7.3	\$ 8,089,324	\$ 653	\$ 4.75
10. Ontario International	Ontario, CA	2,793,813	11,694	4.2	\$ 11,317,614	\$ 968	\$ 4.05
Avg. Statistics for Ten (10) Airports		2,168,992	13,547	6.2	\$ 12,372,181	\$ 913	\$ 5.70
Boise Airport	Boise, ID	2,059,935	11,344	5.5	\$ 9,727,942	\$ 858	\$ 4.72

Key Metrics

Utilization Factor (UF)

UF = SF per 1,000 EPs

- Average = 6.2
- BOI = 5.5

Sales/EP

- Average = \$5.70
- BOI = \$4.72

Sales/SF

- Average = \$913
- BOI = \$858

Source: AX 2020 Fact Book, except BOI's information was provided by BOI.

Note: Common Use Lounge revenues were subtracted from Reno-Tahoe International Gross Sales.

RETAIL

Benchmark 10 Airports **CY 2019** Enplaned Passengers (EPs) 1.5 - 3.5 Million

Airport	City/State	Enplaned Passengers	Square Feet	UF Factor	Gross Sales	Sales/SF	Sales/EP
1. Charleston International	Charleston, SC	2,429,754	8,572	3.5	\$ 10,026,490	\$ 1,170	\$ 4.13
2. General Mitchell International	Milwaukee, WI	3,449,987	16,230	4.7	\$ 13,068,714	\$ 805	\$ 3.79
3. Tucson International	Tucson, AZ	1,897,590	8,329	4.4	\$ 7,114,992	\$ 854	\$ 3.75
4. Reno-Tahoe International	Reno, NV	2,224,741	8,901	4.0	\$ 7,838,588	\$ 881	\$ 3.52
5. Ontario International	Ontario, CA	2,793,813	7,539	2.7	\$ 9,170,260	\$ 1,216	\$ 3.28
6. Memphis International	Memphis, TN	1,704,553	8,266	4.8	\$ 5,480,731	\$ 663	\$ 3.22
7. El Paso International	El Paso, TX	1,792,039	6,836	3.8	\$ 5,637,718	\$ 825	\$ 3.15
8. Birmingham-Shuttlesworth	Birmingham, AL	1,545,308	5,529	3.6	\$ 4,468,930	\$ 808	\$ 2.89
9. Long Beach Airport	Long Beach, CA	1,790,977	4,469	2.5	\$ 4,434,911	\$ 992	\$ 2.48
10. Spokane International	Spokane, WA	2,061,144	7,590	3.7	\$ 4,771,912	\$ 629	\$ 2.32
Avg. Statistics for Ten (10) Airports		2,168,991	8,226	3.8	\$ 7,201,325	\$ 949	\$ 3.32
Boise Airport	Boise, ID	2,059,935	7,096	3.4	\$ 6,709,120	\$ 945	\$ 3.26

Source: AX 2020 Fact Book, except BOI's information was provided by BOI.

Note: Gaming revenues were subtracted from Reno-Tahoe International Gross Sales.

Key Metrics

Utilization Factor (UF)

UF = SF per 1,000 EPs

- Average = 3.8
- **BOI = 3.4**

Sales/EP

- Average = \$3.32
- **BOI = \$3.26**

Sales/SF

- Average = \$949
- **BOI = \$945**

Concession Trends

Concession Trends *(per SI Partners)*



Food and Beverage

- Need more space for F&B versus retail
- Look for experiential F&B – breweries and distilleries with tastings
- Coffee continues to increase in popularity
- Innovative vending, i.e., Farmer’s Fridge, CVS, Illy Coffee
- Technology is evolving – app-based and remote ordering, self service



Retail

- Stand-alone specialty retail stores are in decline due to the “Amazon” factor and price comparisons
- Instead of stand-alone specialty retail, store-within-store concepts are gaining popularity



All Concessions

- Increase in local concepts, including locally-sourced merchandise in retail shops
- National brands are important – passengers equate pricing, quality and service with brand name

Factors Impacting the Industry

- Labor shortages
- Higher labor costs
- Higher construction costs and supply chain shortages
- Higher interest rates are increasing the cost of capital
- Industry mergers are resulting in less competition
- Many of the major industry operators are now in both F&B and Retail

Because of the factors above, operators are more selectively responding to RFPs

New Program

Program Goals



Uniquely Boise

- Create a sense of place through concepts, merchandise and designs



Maximize Revenues

- Optimize sales and rental revenues
- Provide the highest quality customer experience



Cater to Passenger's Desires

- Increase product offerings
- Provide a mix of national, regional and local concepts and brands



Embrace Progress

- Promote innovation and creativity
- Utilize technology to expand offerings and promote self service to expedite customer service
- Encourage sustainability
- Encourage diversity

Space Requirement Analysis

Space Requirements Analysis

Factors Informing Recommendation:

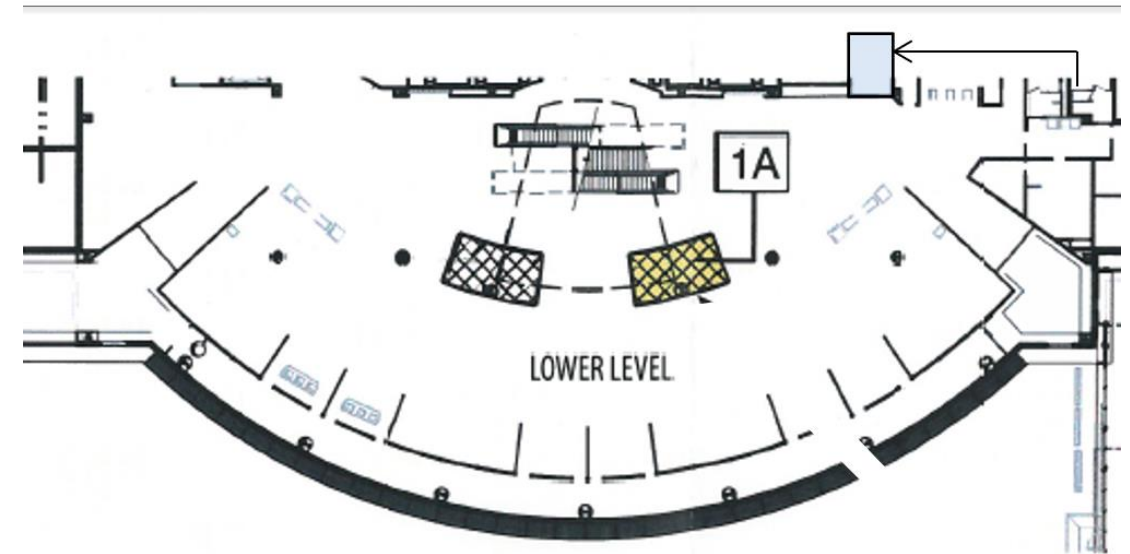
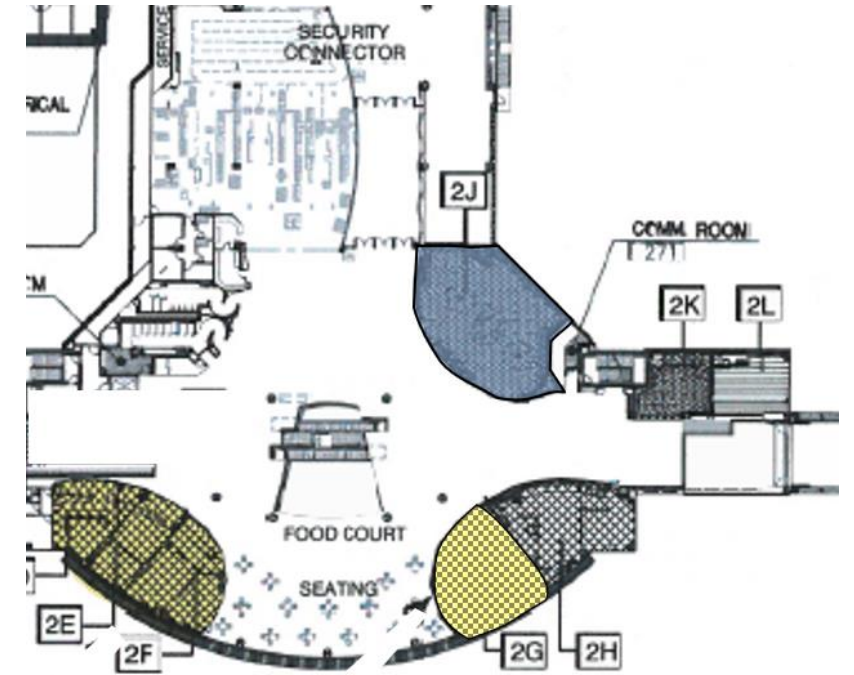
- Historical enplanements and breakdown between concourses
- Future enplanement forecasts during contracted term (10 year)
- Performance of the existing spaces
- Benchmarking statistics

B Gates:
71%
Passengers

C Gates:
28%
Passengers

Square Footage Requirement Analysis

- Approx. 6,700 SF additional space is needed
 - 4,500 SF additional for F&B
 - 2,200 SF additional for Retail
- Focus on identifying more space in the center core, which is available to 100% passengers
- Potential additions:
 - Center Core: Coffee
 - Concourse C: Bar/Café
- No additional space is planned for Concourse B due to impact of a new Concourse A



Leasing Strategy and RFP Process

Leasing Strategy

- **Two separate packages** – One Food & Beverage and One Retail (both to include vending)
- **Require complete redevelopment** of existing units and addition of new spaces - Center Core and Concourse C
- **Address addition of Concourse A in RFP** – advising potential proposers of potential impact on Concourses B and C

Proposed F&B RFP Stipulations

- Pre-security unit – popular local or national concept – café/bar and coffee; operator would be encouraged to offer delivery service to passengers on the post-secure side via app
- Encourage operators to offer app-based ordering for pickup or delivery from all units
- Require proposal of multiple quick serve units proposed for the center core – minimum of three – all locations should offer breakfast
- Proposed new coffee in center core; and new café/bar on Concourse C
- Identify areas for F&B vending
- Offer Airport Conference Center catering
- Require pre-packaged grab-and-go in sit-down restaurant and coffee locations

Proposed Retail RFP Stipulations

- Two larger spaces, Center Core and Concourse B, would be required to have national brand and local merchandise in the stores in distinct sections, referred to as a “store-within-store” concept
- Encourage pre-packaged grab-and-go food, beverage and snack items in stores
- Provide retail vending on the pre- and post-secure sides of the terminal, co-located with F&B vending

Preparing for RFP Process



1. Outreach Meetings

- Completed Certification Outreach to potential ACDBEs in partnership with the Idaho Transportation Department Civil Rights Division under our Uniform Certification Program
- Provide Concessions 101 session to local and ACDBE operators
- Promote program to industry operators – Ongoing
- FAQ – Local Chambers and Restaurant/Retail Organizations



2. Key Business Terms

- Minimum qualifications
- Proposer can only win one of two packages
 - ACDBE Long Term Exclusive prohibition
- Term: 10 years after DBO (definition TBD with not to exceed date)
- Percentage Rent: Minimum will be established
- 1st year Minimum Annual Guarantee (MAG) will be established
- Pricing Policy: Street pricing + 10%
- Minimum capital investment required
- Mid-term refurbishment required

Draft Evaluation Criteria

PROPOSED

- | | | |
|----|---|--------|
| 1. | Proposed Concept Plan (national, regional and local concepts, menus and merchandise, price points, sense of place, etc.) | 30 pts |
| 2. | Design and Quality of Tenant Improvements (layout of units, design & proposed capital investment, transition/phasing plan – including schedule) | 20 pts |
| 3. | Experience and Qualifications | 15 pts |
| 4. | Management, Marketing, Operations and Technology Plan | 15 pts |
| 5. | Concession Rent | 15 pts |
| 6. | Business Plan (projected gross sales, pro formas, and financial capability) | 5 pts |

Draft RFP Timeline

Tasks/Process	Duration	Estimated Dates	
		Begin	Complete
1. Issue RFP	-	-	1/2/2024
2. Pre-Proposal Meeting	-	-	1/15/2024
3. Time Allowed to Prepare Proposals	3 months	1/2/2024	3/31/2024
4. Question and Answer Period	1.5 months	1/2/2024	2/15/2024
5. Proposals Received by BOI	-	-	4/1/2024
6. BOI Determines Proposals are Responsive	1 week	4/1/2024	4/8/2024
7. Proposals Reviewed by Evaluation Committee	1 month	4/8/2024	5/3/2024
8. Proposer Interviews & Selections	1 week	5/20/2024	5/24/2024
9. Selected Proposers Approved & Contracts Executed	1 month	6/1/2024	6/30/2024
10. Selected Proposers Prepare Final Design & Construction Documents, Finalize Phasing Plan; Obtain Permits; Order Materials, etc.	5 months	7/1/2024	11/30/2024
11. New Operators Take-Over Existing Facilities/Set-Up Temp Facilities (Existing Agreements Expire 9/30/2024) - BOI to Consider Extending Existing Agreements until 12/1/24, when construction begins.	-	10/1/2024	-
12. Construction Period	5 months	12/1/2024	4/30/2025
13. New Units Open Based on Phasing Plan (TBD)	-		2025

Questions/Comments?

The logo features a stylized graphic of three curved, overlapping shapes in shades of blue and green, resembling a wing or a leaf, positioned above the text.

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