NEW T1

SAN DIEGO INTERNATIONAL AIRPORT

LET'S GO.

Dining & Retail Opportunities

@ San Diego International Airport

Meet Amazing @ SAN

- 3rd 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

SAN DIEGO
INTERNATIONAL AIRPORT
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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

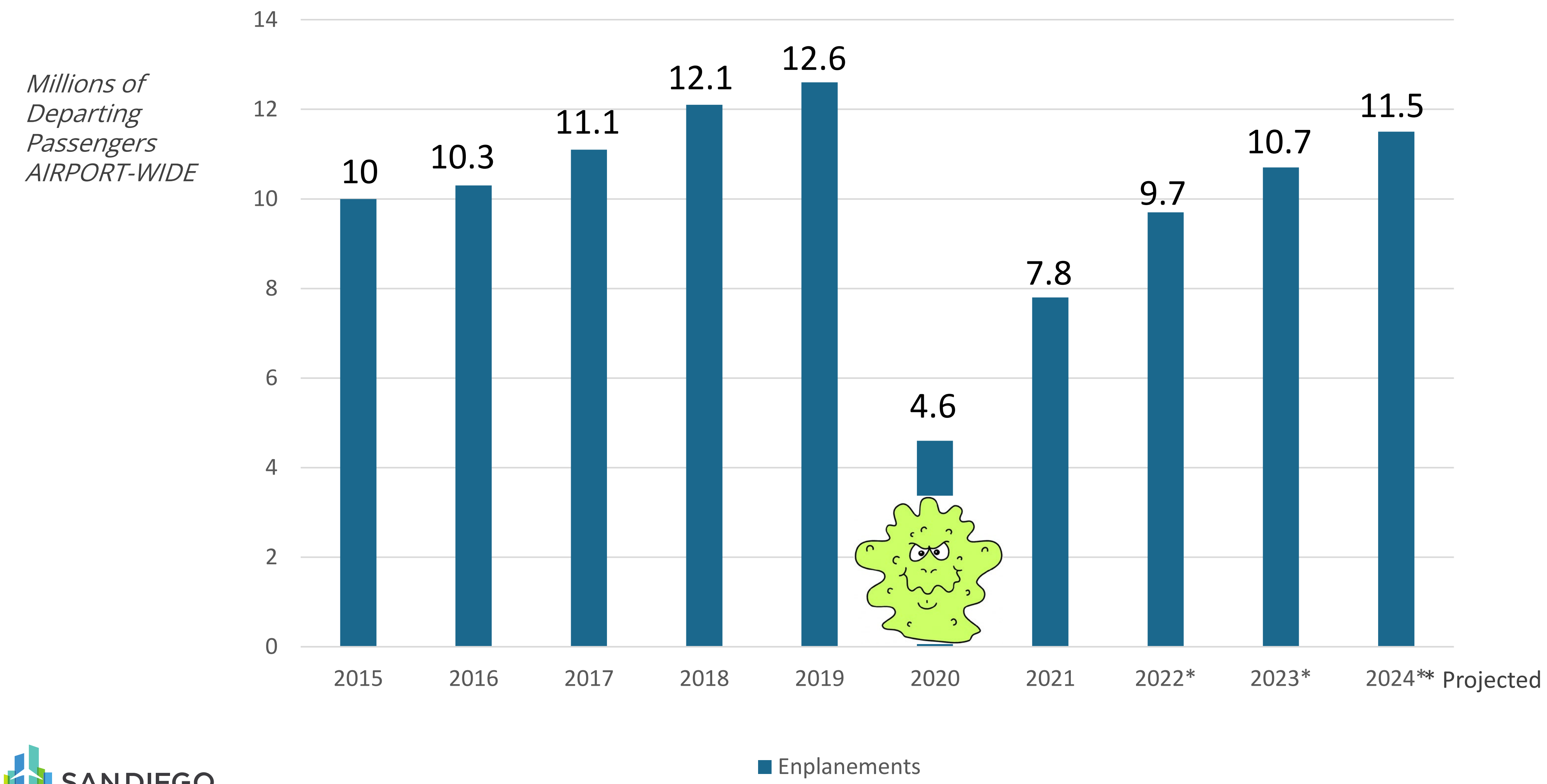
- Hampton Brown, VP, Revenue Generation / Chief Revenue Officer
- Deanna Zachrisson, Director, Revenue Gen. & Partnership Development
- Dominique Sheck, Program Manager, Food & Retail
- Team of professionals experienced in airport business and operations
- Small Business Development staff supporting 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



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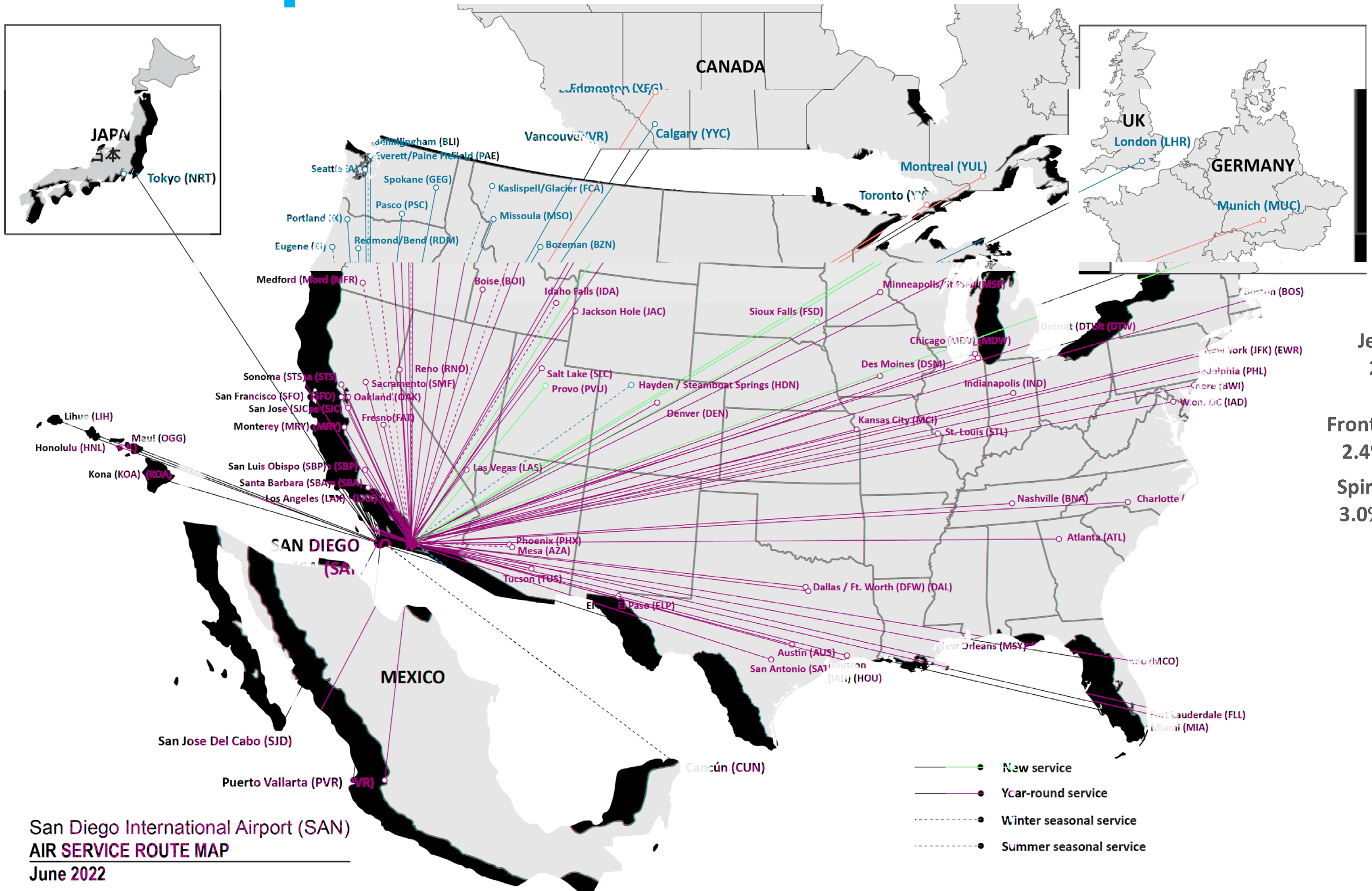
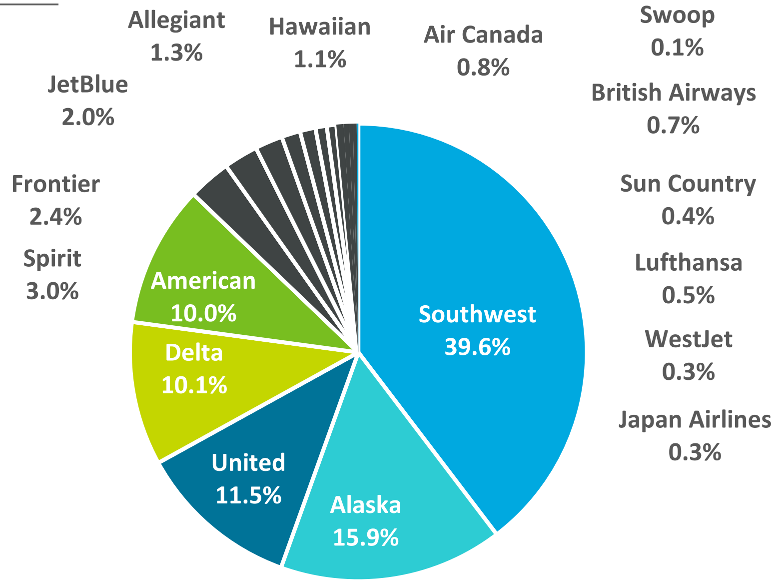
Nonstop Destinations & Airlines





June 2022 Seat Capacity

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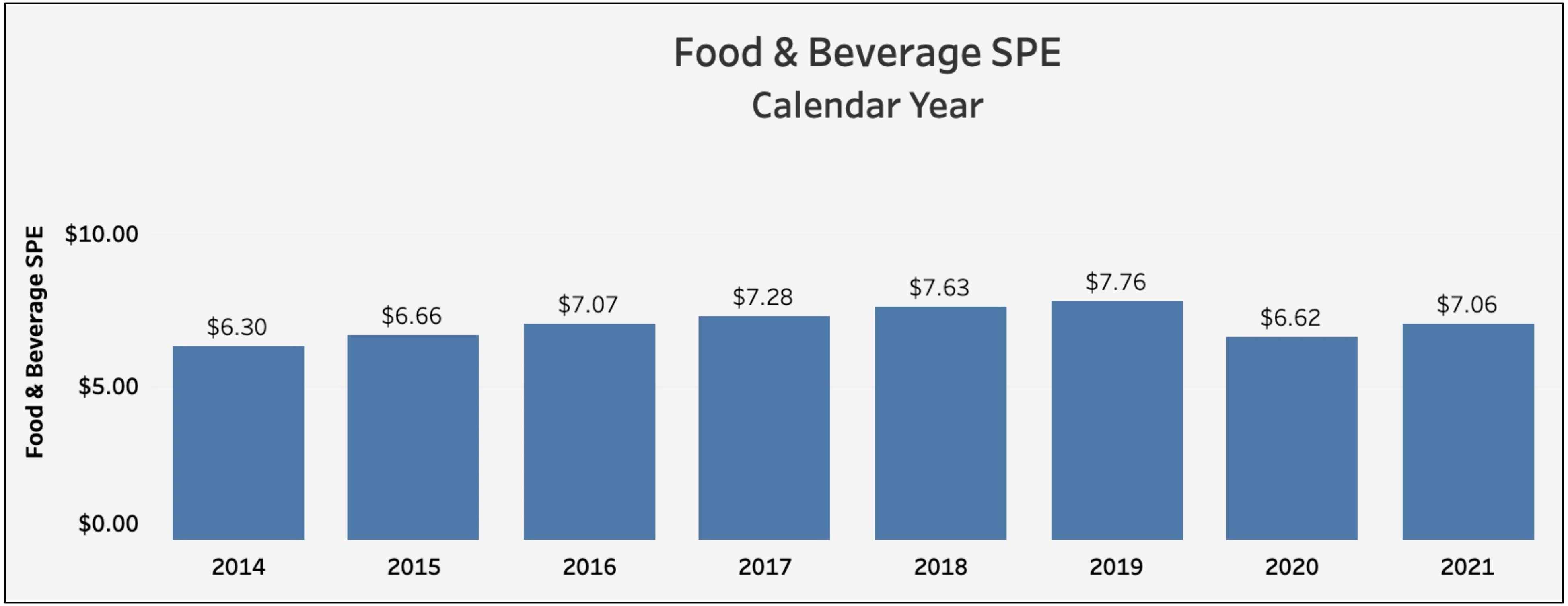
Source: Cirium Schedules as of May 24, 2022

Sales per Departing Passenger

HISTORICALLY STRONG SALES



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SAN New Terminal 1

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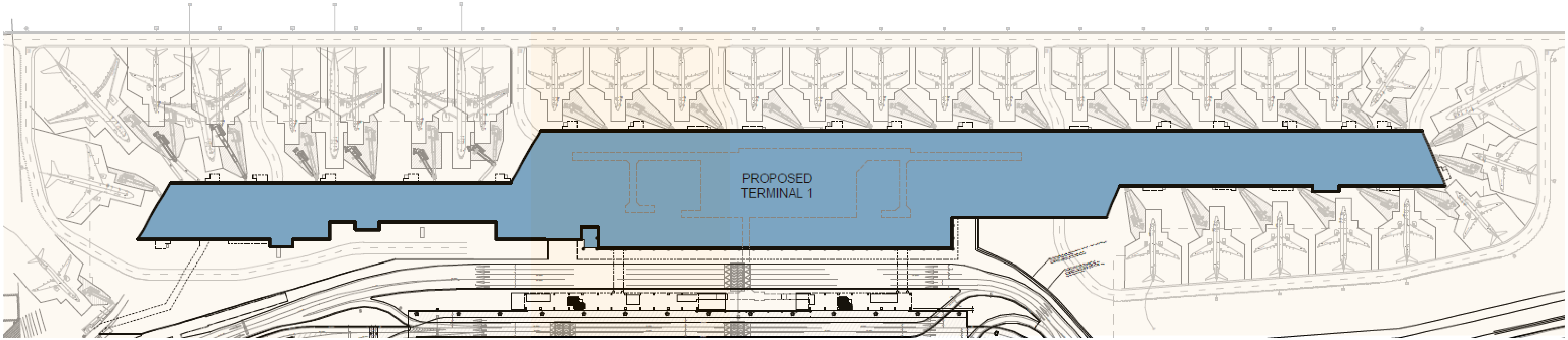
Coming in 2025/27

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

NEW T1



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

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New Terminal 1 – Departure Level

NEW T1

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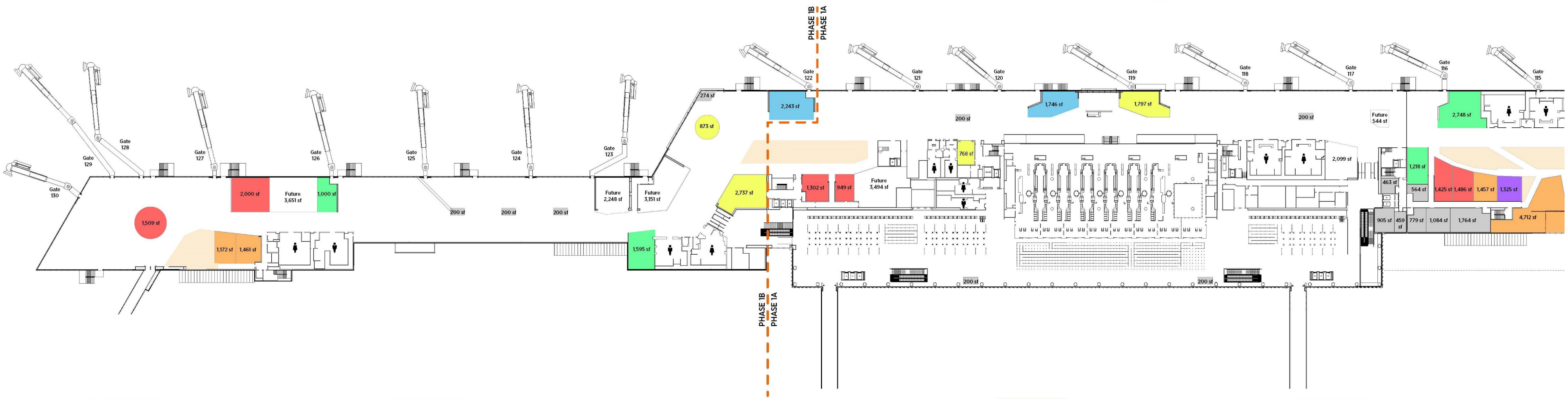
NEW T1



Retail 1

Retail 2

Food & Beverage 1

Food & Beverage 2

Food & Beverage 3

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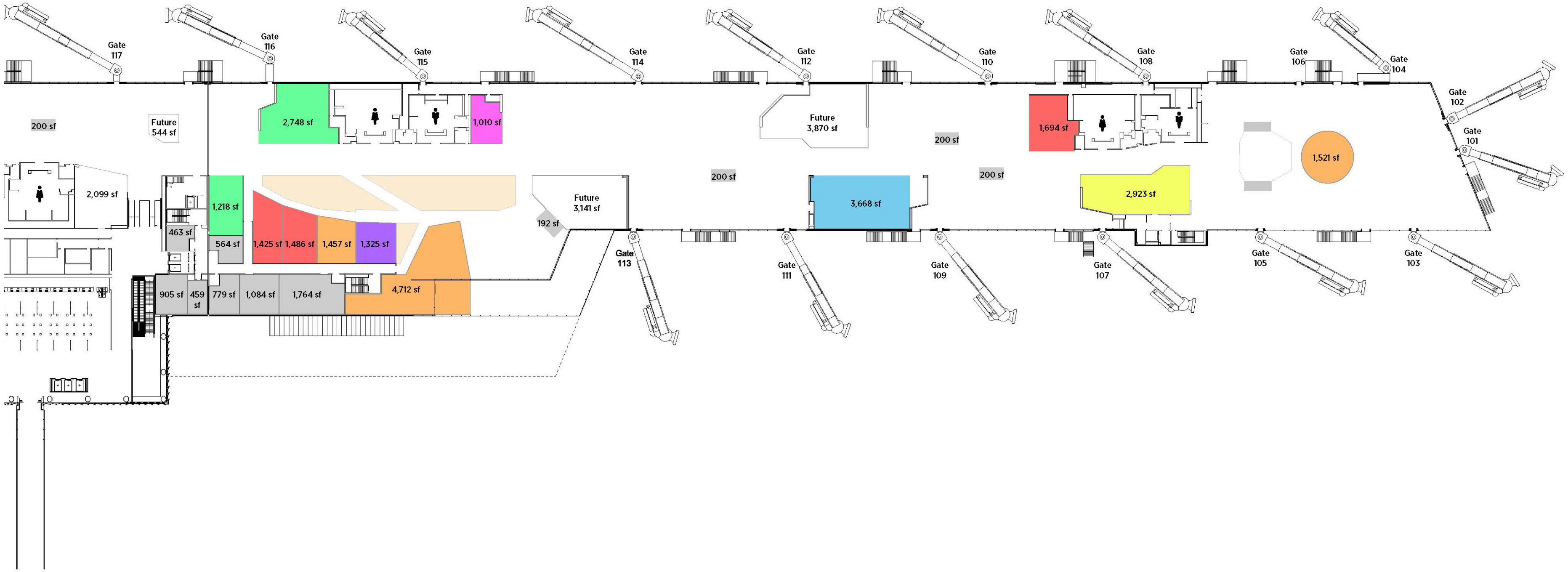
New Terminal 1 - East

NEW T1



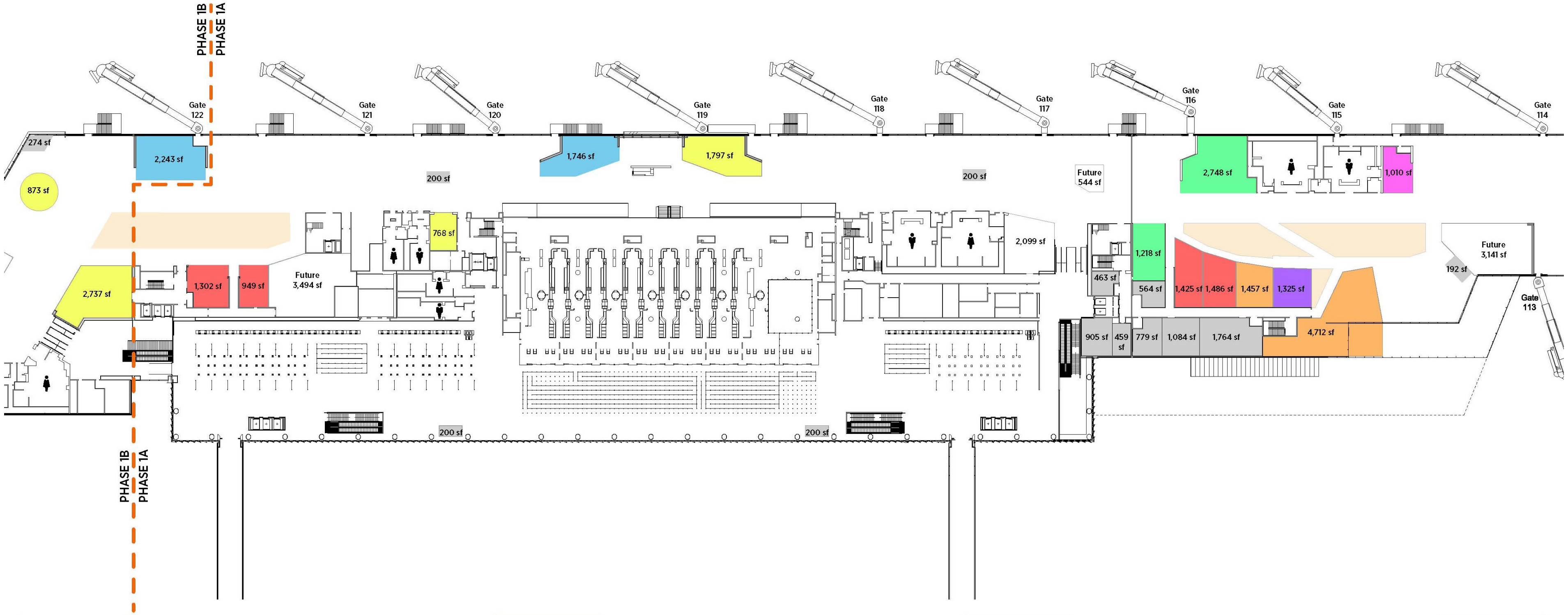
Food & Beverage 3

Food & Beverage 4

Food & Beverage 5

New Terminal 1 – Mid-Concourse

NEW T1



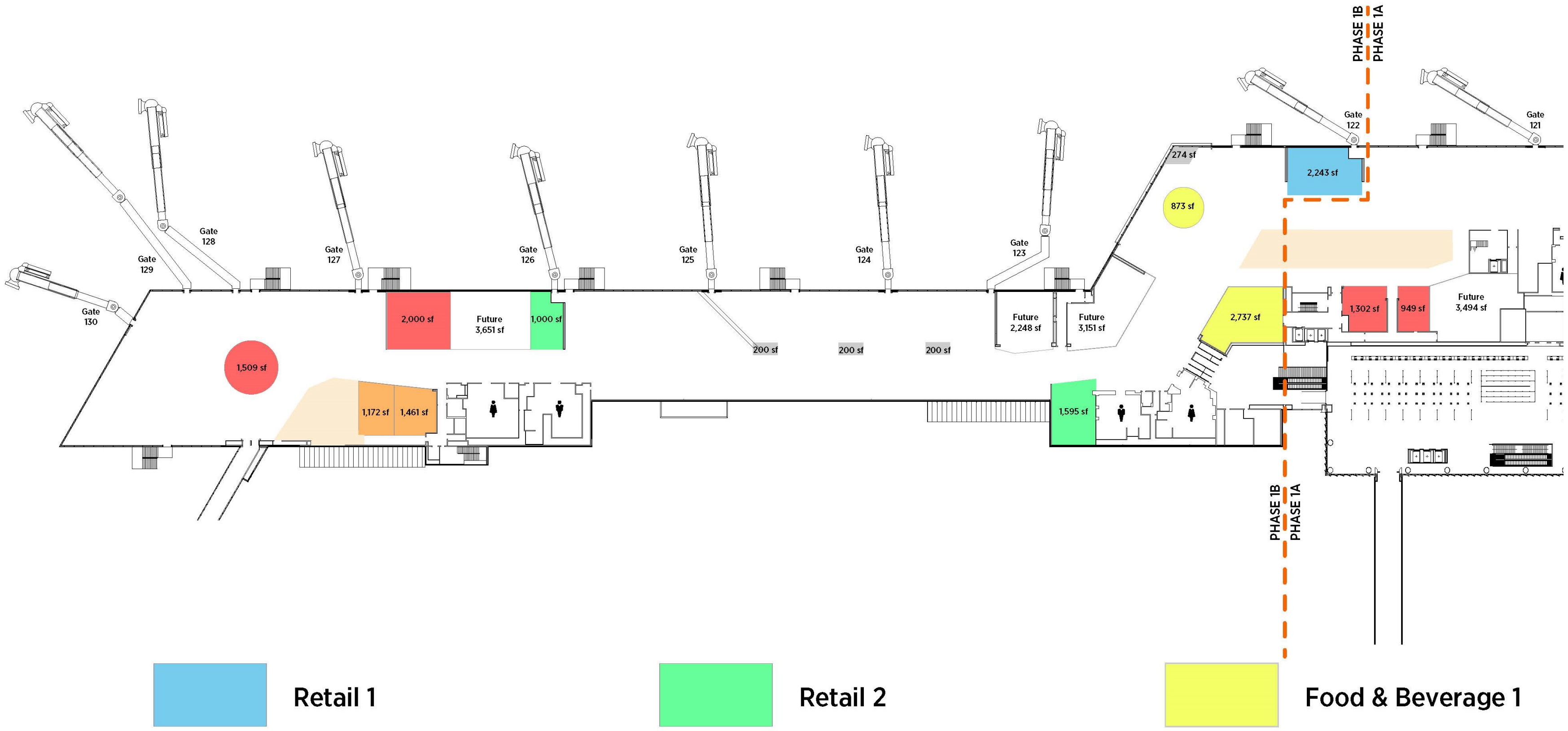
Food & Beverage 1

Food & Beverage 2

Food & Beverage 3

New Terminal 1 - West

NEW T1



NOTE: Number, location, and square footage of concession spaces may change

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Your Future @ SAN

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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

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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 summits 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

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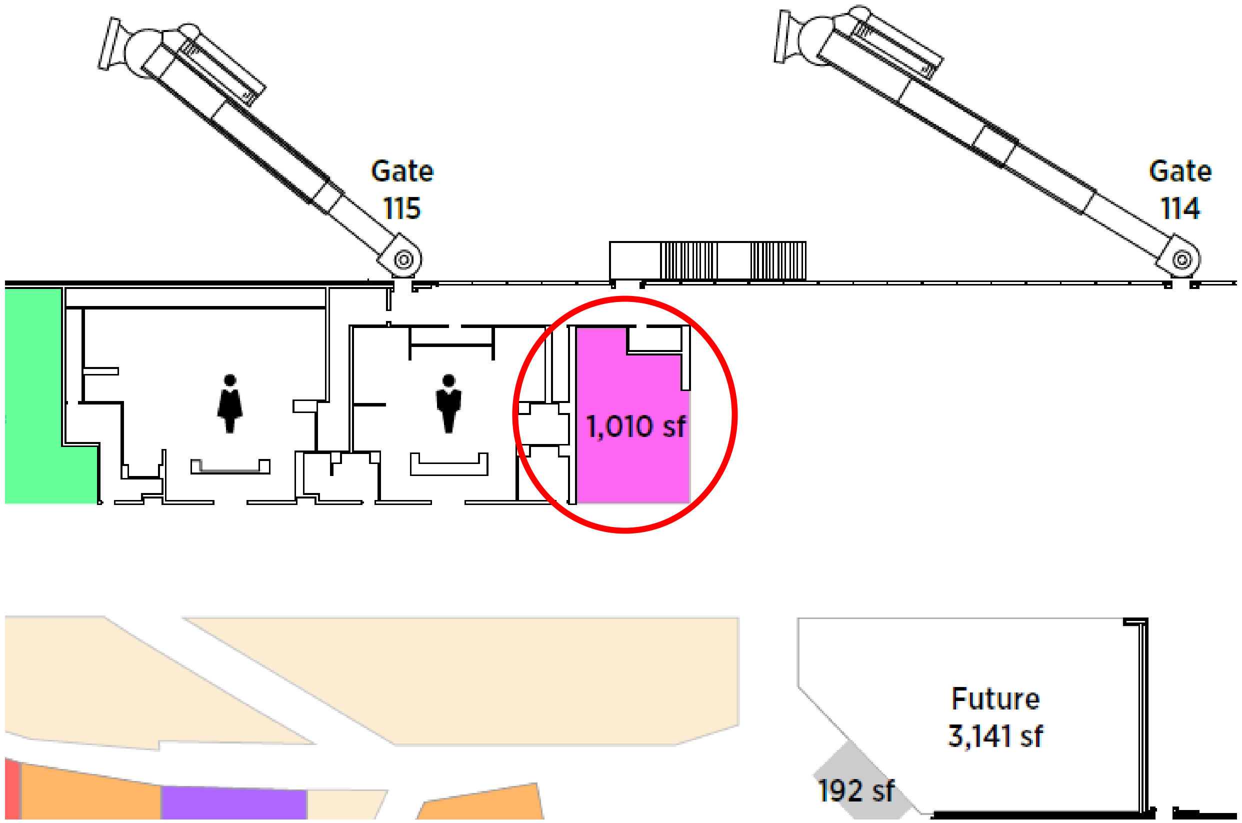
Food Package #3

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

Package #4
Direct Lease Gourmet Coffee

Small Business - Gourmet Coffee



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Direct Lease Opportunity

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

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Package #5
Direct Lease QSR

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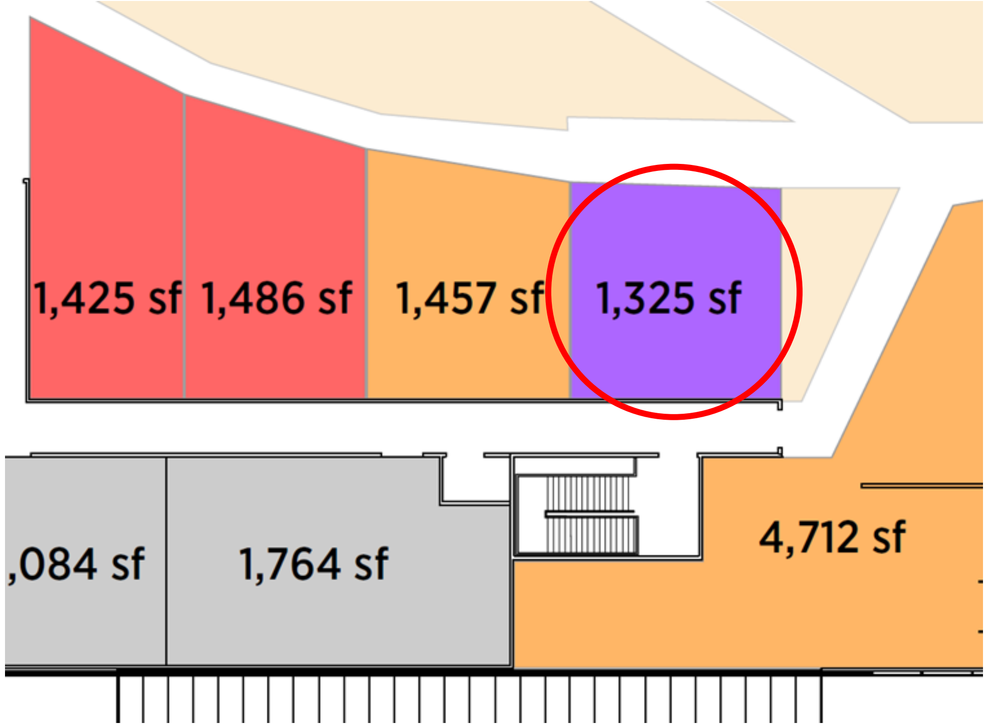
Direct Lease - Quick Service

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

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Food & Beverage Primes

Julie Seglem
Director, Business Development
Julie.Seglem@Areas.com

Jennifer Juul
Director, Business Development
jjuul@delawarenorth.com

Carla Wytmar
VP, Development
Cwytmar@highflyingfoods.com

Patrick Wallace
VP, Business Development
Patrick.Wallace@paradies-na.com

Heather Barry
VP, Partnership Development
Heather.barry@foodtravelexperts.com

Yasmin Sheriff
EVP, Global Development
ysheriff@otgexp.com

Tosin Kasali
VP, Business Development
Oluwatosin.Kasali@hmshost.com

Jay Hefflon
Development Manager
jay.hefflon@missionyogurt.com

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Retail/Convenience Primes

Bridget Biagas
VP, Partner Relations/Diversity
bbiagas@hudsongroup.com

Julie Seglem
Director, Business Development
Julie.Seglem@Areas.com

Regina Brown
VP, Business Development
rbrown@spi-team.com

Alea LaRocque
Divisional VP, Business Development
alarocque@marshallretailgroup.com

Patrick Wallace
VP, Business Development
Patrick.Wallace@paradies-na.com

Schedule

2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028

Q3 2022 - Q1 2023
RFP Outreach

Q1 & Q2 2023
Selection

Q3 2023 - Q1 2024
Lease Negotiation

Q1 & Q2 2024
Design

Q3 & Q4 2024
City - County -
Permitting - Wildcard

DEC 2024
1A Space Acceptance

Q1 - Q3 2025
1A Construction

AUG 2025
1A Activation

SEP 2025
1A Opening

23 months between the end of Phase 1A build-out and start of Phase 1B build-out

JUL 2027
1B Space Acceptance

Q3 & Q4 2027
1B Contruction

DEC 2027
1B Activation

JAN 2028
1B Opening

*dates are subject to change

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Questions?

More resources:
www.san.org/business
Register for more information & updates:
www.newT1.com/business-opportunites

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Thank You

Visit www.newT1.com/business-opportunities