Protests Pose Big Burdens For DBEs

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Real Trailblazers Of DBE Program Success

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Concessionaires use various methods to find suitable DBEs with which to work.

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There is a vast number of concessions operators in the United States that are certified Airport Concessionaire Disadvantaged Business Enterprises, bringing a broad array of concepts and skill to the airport concessions environment. Although many may never expand beyond their initial contract with a prime, a partner or a direct lease with an airport, several of these companies are on the move. They’re expanding in their current airports or expanding to new markets, enriching and diversifying the stable of concessions operators.

Airport Revenue News spoke with several of these industry “movers.” This is by no means an exhaustive list, but the companies profiled here give a sense of the ambitions and challenges of ACDBE-certified companies.

Icebox Cafe

Robert Siegmann is a relative newcomer to the airport world, but he is making significant headway with his Icebox Cafe. After 12 years operating a street location of his restaurant in Miami, Fla., Siegmann launched his Icebox Cafe Deli Bakery at Miami International (MIA) in 2010 to almost instant success.

“We had nearly $5M in revenue in our first year in 1,180 sq. ft.,” he says. Siegmann says the concept is simple. “I like eating well and eating healthily, so I had a good feel for what the traveler’s needs are,” he says, adding, “We have a special concept. This place is quirky and fun and neighborhoody, and that’s something important that we translate into the airport environment.”

Expansion is under way for Icebox Cafe, which recently won a contract to operate an Icebox Cafe Bakery at Dallas/Fort Worth International (DFW). The company was shortlisted for a second location at DFW under the Icebox Cafe Fresh Market Deli name. At press time, the contract had not yet been awarded.

Siegmann is enthusiastic about future opportunities. “Over the past 20 months of being open, we’ve really come up with a system to produce and fine-tune a model that could be dropped into any airport environment,” he says. “We’ve really worked hard and we want to grow a lot.”

Icebox Cafe is expanding street side, as well, but Siegmann likes the airport dynamics.

“We continue to bid on other airports because now I have a great comparison between what it’s like to operate on the street and at an airport,” he says.

After fewer than two years at Miami International, Icebox Cafe is expanding to Dallas/Fort Worth International.

Siegmann likes the predictable nature of the airport, knowing that passengers will be there every day in droves, and he says the upside is huge. “The revenue potential is there,” he says, “if you know what you’re doing.”

OHM Concession Group

Like many ACDBE concessionaires who are in expansion mode, OHM Concession Group spent several years focusing on a single airport before branching out. The company, owned and operated by Milan Patel, was started by his father and uncle, who secured a location at Lambert-St. Louis International (STL) in 1998 with a Great American Bagel Bakery.

In partnership with HMSHost Corp., OHM Concession Group expanded to several locations at STL with a variety of concepts. The company operates Dunkin’ Donuts, Baskin-Robbins and The Pasta House, a hometown favorite. The two Dunkin’ Donuts/Baskin-Robbins concepts are operated solely by OHM in a direct
Patel’s success with the Dunkin’ brand at STL paved the way for a new deal with AIRMALL at Baltimore/Washington International Thurgood Marshall (BWI).

“I was building out the first Dunkin’ Donuts in 2010 at St. Louis when I got a call from Dunkin’ Donuts personnel telling me they had a franchisee back out of the deal at BWI,” Patel recalls.

Without seeing the spaces, Patel agreed to take over the franchise deal.

“The downside was that one of the locations was in a terminal that had lower volume of traffic, and the other was pre-security,” Patel says. “I had two whammies against me.”

He demanded and received a third, post-security location as part of the deal. The last of those locations opened in May, and now Patel is looking west. His company has partnered with XpresSpa for one location at DFW’s Terminal A, which is scheduled to open in mid-2013.

Patel is keen to expand further but is leery of the request for proposal process due to the high costs and risks.

“We’re now more focused on acquisition,” he says. “If someone wants to dump their stores, we can see if they’re underperforming and know we can turn them around once we take over operations.”

Wright Food Services

Like many ACDBE operators, Jill Dresnin remembers a steep learning curve when first entering the airport concessions world five years ago. Dresnin, a managing member of Wright Food Services, says certification and staffing challenges were daunting.

“I remember taking [a new employee] through security – in and out – and it was crowded,” Dresnin remembers. “I told them it’s an acquired taste.”

Dresnin and partner Eric Wright have acquired a taste for airports. They opened their first airport location, a Chickie’s & Pete’s restaurant and bar at Philadelphia International (PHL) in December 2007 and quickly added two more in 2008. A fourth location opened in 2011.

According to Dresnin, Wright Food Services is set to expand further at PHL. At
press time, the company was working on an agreement with Mar Air Foods to operate three restaurants, although the concepts weren't finalized at press time.

Wright Food Services is focusing its efforts at PHL for now, but Dresnin says other airports are attractive, as well.

“I'd love to look at different airports, but at this point we don’t have our eyes on anything specific,” she says.

United Concessions Group Inc.

After 30 years of concessions operations at Cleveland-Hopkins International (CLE), United Concessions Group Inc. is looking beyond its home market.

In what Vice President Ben Rababy considers a coup of sorts, UCG will open a celebrity chef-driven concept called Bar Symon at Pittsburgh International (PIT) this summer. The concept from celebrity chef Michael Symon came about when Symon tweeted his disappointment that UCG’s Ban Joe’s Cafe at CLE was closing. Rababy called to thank Symon, and the relationship began.

UCG now holds exclusive rights to operate the Bar Symon concept in airports, bringing new status for the company.

“The interest in Michael Symon has been overwhelming and we’ve been getting bombarded with calls from people who want him in their airports,” Rababy says. “It’s a little overwhelming for me. I’m not used to that attention.”

Until now, UCG has had a relatively low-profile presence. The company was started by Rababy’s mother, Hayat, who remains president. It’s had various concepts over the years, and operates a Panini’s Bar & Grill at CLE. United Concessions also has a joint venture with Hudson Group and with a proprietary concept called Tasty Image.

Gachi will offer sushi and other Japanese favorites. The menu will expand to include breakfast sushi (brushi) and fruit sushi (frushi) to ensure it is meeting passenger needs during all parts of the day.

Gachi will be Dan Food Service’s second effort at BWI. Since 2007, the company has operated an Arby’s franchise at the airport, generating revenues of nearly $2M annually in 800 sq. ft.

Beyond BWI, Setiabudi is looking initially at East Coast airports for opportunities to expand the Gachi concept, as well as another proprietary brand called Ramen Noodle. She’s in the process of getting her ACDBE certification in states along the eastern seaboard.

“Hopefully, we can open a few more over the next couple of years at different airports,” Setiabudi says. “We see a lot of opportunities for Japanese concepts.”

Newburns Management

Winston and Wendy Burns are no strangers to airport concessions, but the
upcoming Super Bowl to in New Orleans, La., in 2013 is helping to add vibrancy to their operations.

**Newburns Management**, which operates as a subtenant to Hudson Group at [Louis Armstrong New Orleans International](http://www.louisianaairport.com) (MSY), is refreshing and expanding from five to six stores at the airport.

"We’re going to rebuild every retail store here in the New Orleans airport in preparation for the Super Bowl," says Winston Burns.

That roster includes four locations of the proprietary Westwin news and gift concept, and two Creole Kitchen specialty retail stores, one of which is a new location.

"We’re really excited about our new news and gift store because it’s going to be featured in the main area of the West Terminal," Burns says. "We’re expanding from 800 sq. ft. to nearly 2,000 sq. ft. It’s going to be our masterpiece."

Creole Kitchen, which sells packaged foods, spices, coffees, hot sauces and other items that are connected with Louisiana cooking, will expand at MSY, and may go further.

"We’re excited about that concept," Burns says. "It does extremely well, and we’d like to take it to other airports."

In addition to its MSY operations, Newburns also operates three stores in a joint venture at [Orlando International](http://www.orlandointernational.com) (MCO).

**AC LLC**

AC LLC is thriving in its role as a joint venture partner with Hudson Group for the operation of 22 news/gift and specialty retail stores at [McCarran International](http://www.mccarran.com) (LAS). That roster is expanding with five new stores coming in June and another six stores slated to open in spring 2013, according to member Lorraine Marshall.

In addition, the company is launching a chocolate specialty store called Tasty Image later this year at LAS. Unlike its other operations, AC is direct leasing with the airport for this latest venture.

"It’s a chance for our company to do a store at the airport just for us," Marshall says.

Clifton Marshall, managing member of AC, says the company is eager to expand beyond LAS.

"Hopefully, we’ll be able to open a number of Tasty Image stores at various airports in the country," he says. "That’s our goal right now."

**Mission Yogurt Inc.**

Rod Tafoya, president of Mission Yogurt Inc., made his first foray into airports when [Denver International](http://www.denverinternational.org) (DEN) opened its new facility in 1995, expanding from its street operations to open one location in the airport.

For more than 15 years, the company focused on building the brand at DEN but more recently has expanded to new markets. Mission Yogurt opened at [Norman Y. Mineta San Jose International](http://www.sjairport.org) (SJC) in March 2011, and is moving forward from there.

"We have been awarded two additional locations at Denver International and two small locations in [San Diego]" International (SAN), Tafoya says.

Tafoya sees further expansion in his future.

"We’re always looking for great opportunities," he says.

We’d like to hear your opinion about this article. Please direct all correspondence to Carol Ward at carol@airportrevenuenews.com.