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For Immediate Release

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Houston City Council Melissa Noriega

Houston, TX - Houston is a world class city and needs top-notch facilities in its airports. Thousands of visitors pass through Terminal C every day and currently the food concessions do not reflect our vibrant, exciting, outstanding city. This contract is a first step in remedying this problem.

The contract amendment requires significant investment in facilities, long term maintenance and quality, and it provides significant consequences, including termination, if the contract requirements are not met. In addition there is a performance bond of \$1.2 million dollars for failure to meet the standards.

In every situation there is a problem to be solved and a process to be followed. The challenge is to find the balance between the two. This contract has the accountability needed to insure excellent performance to the taxpayers in the city.

The contract provides for inspections by the director and regular audits, both performance and financial, by the director and the City Controller. After a careful review of the contract requirements and the accountability measures and benchmarks, I believe the city has found a way to solve the problem concerning Terminal C while honoring the spirit of the process.

JDDA Contract- Accountability Provisions

- Build out Schedule (May 1, 2009-January 1, 2010) - \$7,000 per day liquidated damages if schedule not met.
- \$10,500,000 must be spent by 1/1/2010 – any excess shall be set aside in “Capital Account” funds and interest only spent on build-out, signage and marketing as approved by director.
- Any funds not spent by 12/31/2012 paid to City of Houston.
- Meet or exceed quality and service of terminal E and list of other requirements having to do with quality.
- Consequence of not meeting above \$500 per day.
- Pricing must be city averages.
- Regular cleaning of facilities, grease traps, etc required.
- Consequence of not cleaning \$500 per day per occurrence.
- Surety bond in amount of \$1,200,000 provided.
- Right to terminate based on change in ownership, or if concessionaire in default, (Default shall occur if Concessionaire fails to observe or perform any of its duties under this contract or if become insolvent – 30 days to cure.)

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