



2020 in Review

Survival and Revival

Message from Chair and Executive Director

January 2021

Dear ARRA Members and Colleagues:

The work of ARRA looks much different than anticipated when the organization was founded just a year ago. Although the human and economic impacts of the COVID-19 global pandemic continue to unfold, the impact on the global aviation industry has been devastating. And while the pandemic has sweeping global consequences, the day-to-day experience of living through this crisis is deeply personal. Unlike a crisis which most of us witness from afar, we are each experiencing this unprecedented crisis firsthand.


2020 has been an incredibly difficult year for our industry, it has also been a year which brought airport restaurant and retail operators together. Only one year after ARRA's founding, ARRA Members can proudly say they speak with one voice on topics which impact our businesses.

The hard work of the ARRA Board of Directors and Members has been nothing short of inspiring as we came together to ensure our members were in the best possible position to survive the crisis. The following report is meant to review the accomplishments of ARRA during 2020, and highlight our key areas of focus for the coming year.

Let's hope for bluer skies in 2021 as well as continued collaboration and partnership.

Most sincerely,




Pat Murray, Chairman




Rob Wigington, Executive Director

ARRA Board of Directors



Patrick Murray
Chair
SSP America
Executive Vice President



Judith Byrd
Vice Chair
Byrd Retail Group
President & CEO



Nicholas Crews
Secretary
Crews Hospitality
President/Chief Executive Officer



Bryan Loden
Treasurer
HMSHost
Vice President, Business Development



Kirk Weiss
Concessions International
Managing Partner, Business Development



Winston Burns
Newburns Management Group LLC
President



Michael R. Mullaney
Hudson Group
Executive Vice President



Carlos Bernal
Areas USA Inc.
Chief Executive Officer



James Oblatz
Delaware North Travel Hospitality
President



George Tinsley II
Tinsley Family Concessions Inc.
Vice President/Managing Partner



John Cugasi
Paradies Lagardere
Vice President of Marketing

Advisors and Contributors



Derryl Benton
HMS Host
Executive Vice President
of Business Development



Bill Casey
Phase 2 Hospitality, LLC
Chief Executive Officer



John Clark
SSP America
Vice President, Business Development



Lana Cramer
SSP America
Vice President,
Corporate Marketing and Communications



Atousa Ghoreichi
HMS Host
Vice President
of Marketing and Communications



Shayna Iglesias
HMS Host
Senior Director,
Marketing and Public Relations



Bobby Watson
Hudson News
Senior Vice President



Andy Weddig
AWeddigConsulting
Principal



“

I have seen the (ARRA) conference calls come through, and it's been extraordinary to witness the collaboration. I have never witnessed in my years of aviation the exchange of this kind of quality information on a consistent basis. ARRA is to be commended.

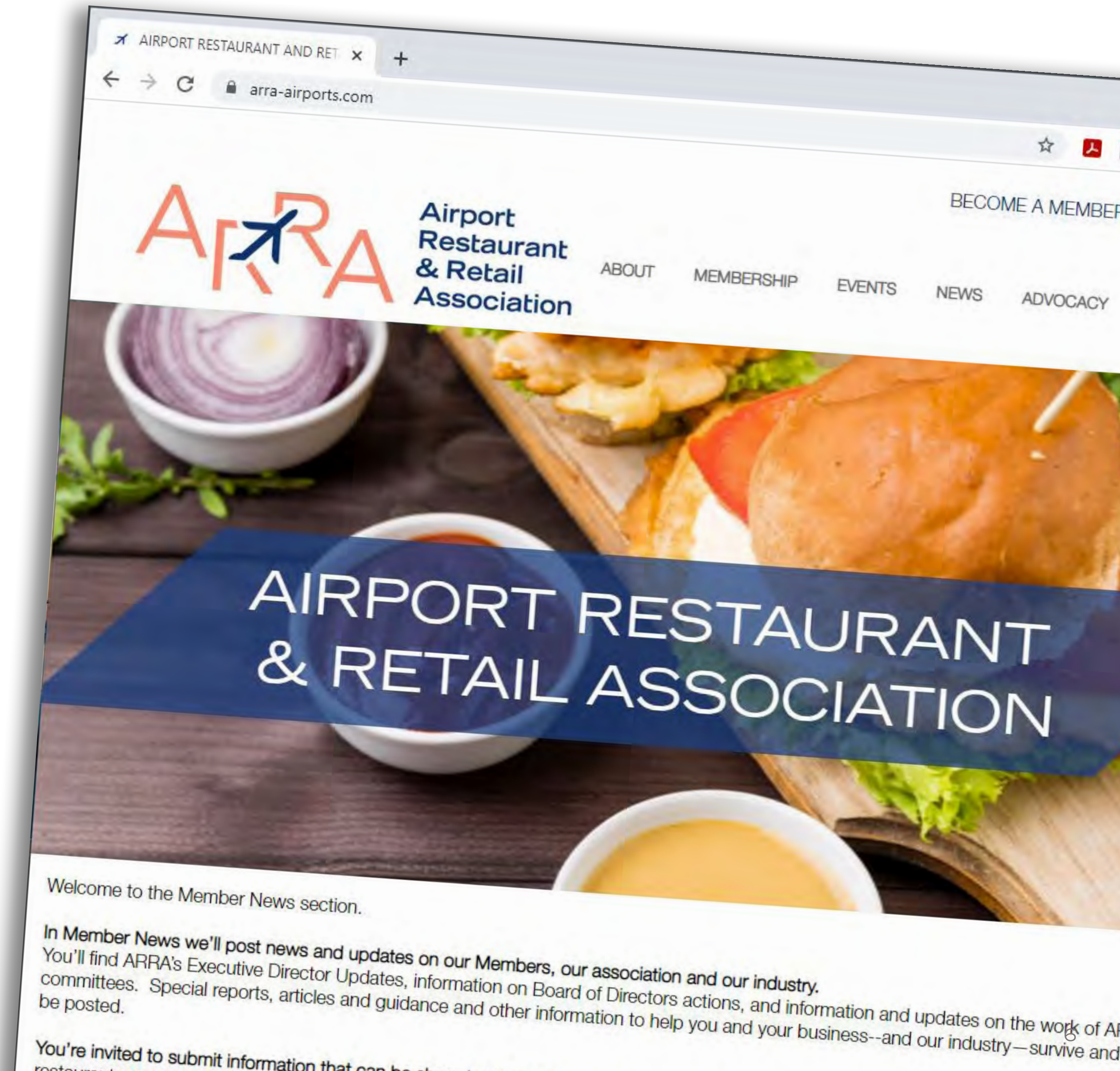
”

*Clark Sharpe
President, Shellis Management Services
ARRA Survival & Revival Forum
September 9, 2020*

Accomplishments

Creation of ARRA

- Established Airport Restaurant and Retail Association
- Elected Board of Directors and Officers
- Hired Executive Director
- Created seven standing committees: Airport Affairs, Government Affairs, Legal Affairs, Membership, Non-Profit, Public Relations & Marketing and Topics
- Launched www.arra-airports.com
- Grew membership and conducted regular membership meetings





“

When we see the other side of this pandemic we need a healthy set of partners to help us get through it. Having a safe airport, secure airport, having a strong customer service program isn't going to get us anywhere if we can't sell food, retail and if airlines aren't bringing in passengers.

”

Ricky Smith
Executive Director
Baltimore/Washington International Airport
April 22, 2020

Accomplishments

Emerged as the Voice of Airport Restaurateurs & Retailers

Represented airport concessions industry with local, national and international media and industry publications and webinars



The New York Times

BISNOW

Forbes

FAST COMPANY

TRAVEL WEEKLY

**PASSENGER
TERMINAL TODAY**





Accomplishments

Emerged as the Voice of Airport Restaurateurs & Retailers

- Developed collaborative relationships with airport industry organizations including, Airports Council International-North America (ACI-NA) and World (ACI), American Association of Airport Executives (AAAE) and Airport Minority Advisory Council (AMAC) to address COVID-19 impacts and common interests
- Established working relationships with Federal Aviation Administration (FAA), Office of Civil Rights, U.S. Department of Transportation (DOT), Transportation Security Administration (TSA), and Department of Homeland Security (DHS) officials, on issues affecting ARRA Members, such as concessions relief and assistance, FAA and TSA policies, passenger security screening data and airport badging of concessions employees and furloughed employees





“

It's vital for every stakeholder at an airport to stay in constant communication and be open minded. None of us is individually capable of predicting all of this today... important to stay flexible and keep in mind that it takes a whole team of stakeholders to run an airport successfully.

”

Kirk Shaffer
Associate Administrator for Airports
Federal Aviation Administration
May 13, 2020

Accomplishments

Survival and Revival Forums

- Created weekly *COVID-19 Survival and Revival Call-In Forum* for the concessionaires and aviation industry partners
- Calls emerged as vital forums for engaging airlines, airports, concessionaires and aviation industry
- 33 sessions since March
- Weekly audience of 700-800 listeners
- Speaker highlights: FAA Associate Administrator for Airports Kirk Shaffer, ACI World Director General Angela Gittens (ret.), Founder/Chairman Moodie Davitt Report Martin Moodie, Former Secretary of Transportation James Burnley, IV as well as wide range of airport directors, airline executives, restaurant and retail leaders, and aviation and concessions industry experts



“

*My congratulations to ARRA
for convening these calls.
It's something the industry
hasn't seen before.*

”

Clarence Daniels
Past Chairman, CEO
CMS Hospitality
April 15, 2020

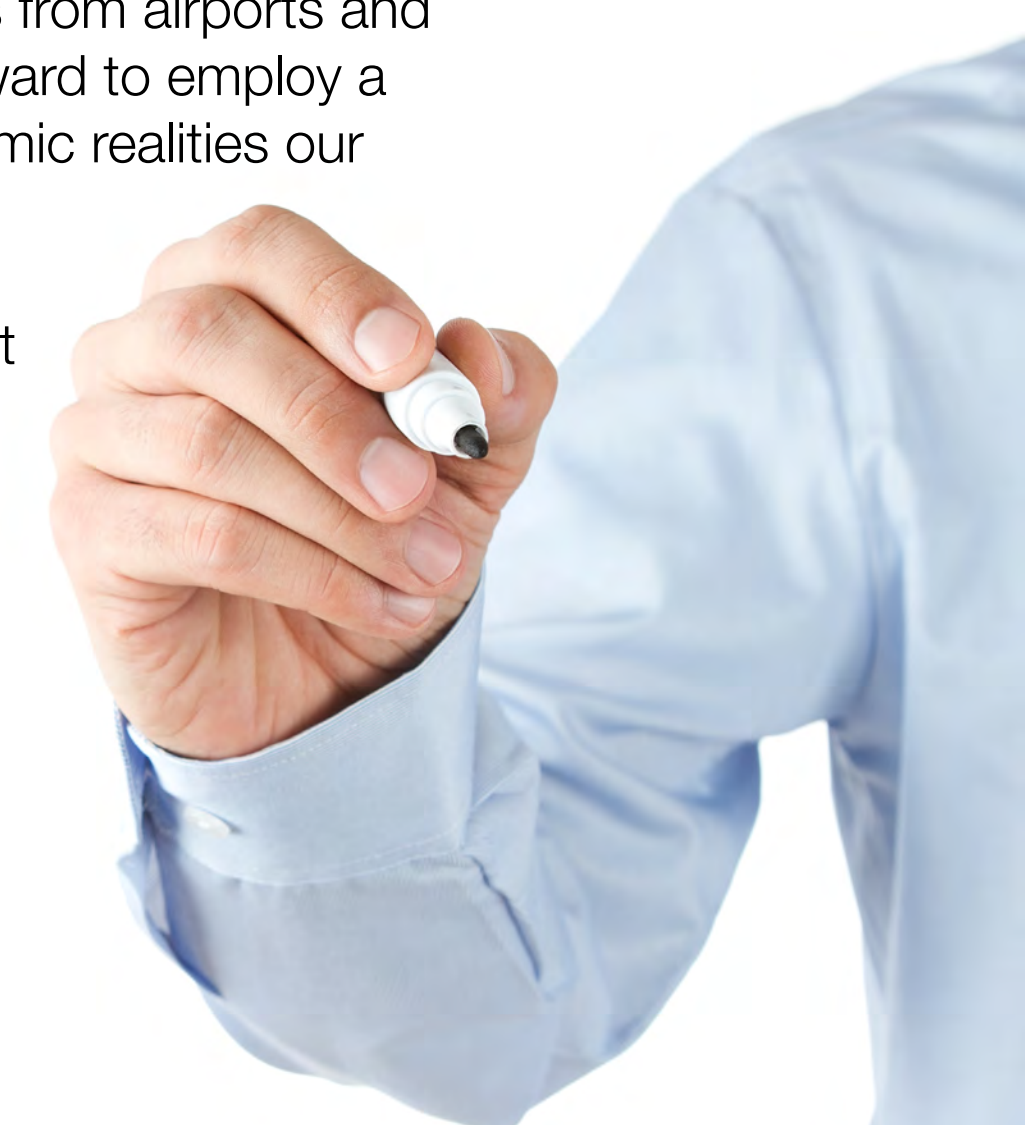




Accomplishments

Facing Facts Reports

- Issued three reports:
 - *Financial Impact of COVID-19 on Airport Restaurant and Retail Concessionaires*
 - *Facing Facts 1: The Survival of Airport Dining and Shopping*
 - *Facing Facts 2: The Survival and Revival of Airport Dining and Shopping*
- The reports focused on the devastating business impact of the pandemic, the dramatic operational realities facing ARRA members, needed actions from airports and governments and a call to shift the concessions paradigm going forward to employ a new business model which more appropriately addresses the economic realities our businesses face
- Distributed widely to airport directors, senior airport staff, government officials and greater aviation industry



“

I really want to thank Rob and ARRA in leading us to where the conversation needs to go.

Eric Kicherer
Consultant
April 29, 2020

”



Accomplishments

Advocacy for Federal Airport and Concessions Relief

- Developed federal government affairs program focused on inclusion of concessionaires in federal airport COVID relief legislation
- Achieved \$200 million dedicated to minimum annual guarantee (MAG) and rent relief for concessionaires as part of \$2 billion emergency funding for airports in final COVID relief bill enacted by Congress and the Administration in December.
- Built coalition, developed joint positions and lobbying strategy with ACI-NA, AAAE and AMAC, and the International Association of Airport Duty Free Stores, American Car Rental Association and National Parking Association
- Achieved inclusion in House-passed and Senate legislation ARRA and airport stakeholder coalition joint proposal for \$13.5 billion, including approximately \$3.5 billion dedicated to full abatement of MAG and rents
- Worked with Congress and Administration, including Treasury Department and Small Business Administration (SBA), to expand eligibility, terms and concessionaires' participation in federal assistance through the Payroll Protection Program (PPP), Main Street Lending Program (MSLP) and other SBA and Treasury grants and lending initiatives
- Worked with Senate Commerce, Science & Transportation Committee Chairman and key committee and congressional leaders to include airport restaurateurs and retailers in Restaurant Stabilization Fund legislation
- Provided testimony to numerous congressional committees on the need for federal relief and importance of the Airport Concessions Disadvantaged Business Enterprise (ACDBE) and DBE programs





“

What ARRRA is doing is fantastic, never has a situation underlined the need for a support association - the role they play is absolutely critical here. What you're doing in raising awareness of the plight of the concession businesses across the US and beyond is really important.

*Martin Moodie
Chairman and Founder
The Moodie Davitt Report
May 6, 2020*

”



Accomplishments

Protecting Concessionaires' Business Interests

- Built advocacy/communications outreach urging airports to provide full abatement of minimum annual guarantees (MAGs), rents and fees during financial crisis
- Joined airline/airport associations urging state/local officials to recognize unique airport operating environment before imposing dining/shopping restrictions affecting concessions
- Advocated moratorium on RFPs and RFQs
- Issued 'call to action' urging ARRA members to utilize health/safety procedures based on National Restaurant Association and CDC guidelines to protect travelers and employees



Looking to the Year Ahead.....



As we enter 2021 we confront a global pandemic which continues to rage in the U.S., infecting millions and overwhelming the aviation ecosystem and all its stakeholders. Even with the arrival of long-awaited vaccines, it will be some time before passenger confidence in air travel is restored. Meanwhile, losses continue to mount for airport restaurant and retail operators, many of whom face solvency issues as they look to 2021. Against this backdrop, ARRA is prepared to continue its work addressing COVID-19 impacts and recovery, while taking on the financial, operational and policy issues concerning concessionaires pre- and post-pandemic.

In 2021, ARRA's priorities will include:

- Strengthen and expand ARRA's voice on behalf of restaurant and retail operators
- Build on ARRA's partnership with airports and the aviation industry
- Collaborate to rebuild traveler confidence and passenger traffic in order to achieve a full recovery
- Address issues of common concern to airports and concessionaires: Protecting traveler and employee safety, reopening and recovery, overcapacity of concession space, financial challenges, access to capital, revenue needs and generation, restoring and elevating the customer experience, future business models and innovative technology solutions
- Promote business growth and the financial viability of concessions operators in the current and post-pandemic environment
- Support ACDBE retail and restaurant operators and protect and enhance the federal ACDBE program
- Support airport funding needs and federal airport and infrastructure investment





Amplify your voice! JOIN ARRA!

The founders of ARRA formed the Association with the knowledge that while our members participate in other trade groups, none has the sole purpose to represent the interests of airport restaurateurs and retailers. The ARRA founders knew we needed a forum and a collective voice to advocate our specific shared interests.

2020 was an unprecedented year in aviation. The pandemic and subsequent business catastrophe put an exclamation point on the need for restaurateurs and retailers to join forces as an association. Our \$10 billion industry is a key partner for airports, airlines, and others in aviation. We enhance the air traveler experience by delivering a wide array of outstanding food, beverage and retail products and services. We contribute billions of dollars for airport operations and growth. We enrich local economies, employing more than 125,000 local employees who raise families and patronize businesses in their communities. We have earned our place at the table, our voice in the conversation.

As you have seen in the previous pages, ARRA has accomplished much in its first year. Your Association has worked effectively with aviation and government leaders and decision makers on a variety of issues affecting our members and the industry. ARRA has become the critical voice and forum for airport restaurant and retail operators during this time of crisis. ARRA will continue to be your voice and forum during the many challenges that lie ahead on the flight path to our collective recovery and prosperity.

ARRA's membership has grown quickly in its first year. But there is strength in numbers and our industry – **your** industry – needs **your** active voice and commitment now more than ever.

Join us by visiting www.arra-airports.com.