

DENVER INTERNATIONAL AIRPORT KIOSK EXTENSION

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CHIEF COMMERCIAL OFFICER

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SENIOR VICE PRESIDENT, CONCESSIONS



AGENDA



- City Council Request
- Concessions Master Plan Overview
- Small Business Enterprise Concession (SBEC) Opportunities
- A-Center West Coffee Kiosk
- A-Center East Coffee Kiosk
- B-Center West Snack Kiosk
- B-Center East Coffee Kiosk
- C-Center West Snack Kiosk
- Questions?



100 MILLION ANNUAL PASSENGERS

- SUSTAINABILITY & RESILIENCY • EQUITY, DIVERSITY, INCLUSION & ACCESSIBILITY
- CONTINUOUS STAKEHOLDER INPUT/FEEDBACK • ENHANCING THE CUSTOMER EXPERIENCE

PILLAR 1



POWERING OUR PEOPLE

- Develop Workforce Leadership Strategy
- Establish Center of Equity and Excellence in Aviation
- Implement Career Pathways Program

PILLAR 2



GROWING OUR INFRASTRUCTURE

- Complete Major Infrastructure Projects
- Update Master Plan
- Develop Infrastructure Plan for DEN Real Estate

PILLAR 3



MAINTAINING WHAT WE HAVE

- Complete Concourse Renewal Program
- Update Strategic Asset Management Plan
- Develop Science-based Greenhouse Gas Emissions Target

PILLAR 4



EXPANDING OUR GLOBAL CONNECTIONS

- Identify Air Cargo Opportunities
- Expand to Disconnected Destinations (e.g. Africa)
- Grow Domestic Network

CITY COUNCIL REQUEST



- Approve Kiosk 2-Year Term Extensions
 - The Ave Group, LLC, d/b/a Novo Coffee, Concourse A | RR22-1466
 - Mission Yogurt, LLC, d/b/a Einstein's Bros Bagels, Concourse A | RR22-1463
 - The Ave Group, LLC, d/b/a Novo Coffee, Concourse B | RR22-1467
 - Emerging Airport Partners, LLC d/b/a Half Mood Empanadas, Concourse B | RR22-1464
 - Doc 1 Solutions d/b/a Superfruit Republic Juice, Concourse C, Contract | RR22-1468

CONCESSIONS MASTER PLAN OVERVIEW



- Provides a road map to efficiently meet the airport growth and address passengers' concession demands
 - 69 million passengers in 2019; projected 110 million in 2040
- The premise of the master plan adds square footage to the existing program through gate expansions as well as activating new commercial areas
- From September 2019 through March 2021, DEN released 24 Request for Proposals (RFP)
- 5 of the RFPs were for coffee, snack and juice kiosks in areas which were formerly not commercialized

- DEN appreciates the need and desire for small business to grow and introduced the Small Business Enterprise Concessions (SBEC) kiosk program, the first of its kind at DEN
- The program is race and gender-neutral and is based on personal net worth
- Of the 5 new kiosk locations, 4 were Small Business Enterprise Concession opportunities

- The intent of the SBEC program was to offer a smaller size concept which would result in a smaller buildout cost
- Since the time the RFPs were issued until now, costs to build and operate have increased two to three times higher than in 2019, creating an environment where our partners couldn't recover capital investment
- To support our small business partners, we recommend a 2-year contract extension

A CENTER WEST COFFEE KIOSK



- The Ave Group, LLC, d/b/a Novo Coffee
 - The Ave Group, LLC is 100% Owner
 - The Ave Group, LLC is has committed to a 100% SBEC by self-performing
 - Status: Open to the public on 10/31/2022
 - Initial Proposed Capital Investment: \$325,000
 - Projected Capital Investment: \$700,000
 - \$133,875 per year rent to the airport or;
 - 15% of gross receipts per year



A CENTER EAST COFFEE KIOSK



- Mission Yogurt, LLC, d/b/a Einstein's Bros Bagels
 - Mission Yogurt, LLC is a joint venture between Mission Yogurt, Inc (67% Owner), and The Ave Group (33% Airport Concession Disadvantaged Business Enterprise (ACDBE) Owner)
- Status: Open to the public on 10/14/2022
- Initial Proposed Capital Investment: \$364,500
- Projected Capital Investment: \$600,000
- \$127,000 per year rent to the airport or;
 - 15% of gross receipts per year



B CENTER WEST SNACK KIOSK



- Emerging Airport Partners, LLC d/b/a Half Moon Empanadas
 - Emerging Airport Partners, LLC is 100% Owner
 - Emerging Airport Partners, LLC has committed to a 100% SBEC by self-performing
- Status: In Design – Target Opening 3/7/2023
- Initial Proposed Capital Investment: \$375,000
- Projected Capital Investment: \$1,200,000
- \$262,592 per rent to the airport or;
 - 16.5% of gross receipts per year



B CENTER EAST COFFEE KIOSK



- The Ave Group, LLC, d/b/a Novo Coffee
 - The Ave Group, LLC is 100% Owner
 - The Ave Group, LLC has committed to a 100% SBEC by self-performing
- Status: In Design – Target Opening Q2 2023
- Initial Proposed Capital Investment: \$325,000
- Projected Capital Investment: \$700,000
- \$204,212.50 per year in gross receipts or;
 - 15.5% of gross receipts per year



C CENTER WEST SNACK KIOSK



- • DOC 1 Solutions d/b/a Superfruit Republic Juice
 - DOC 1 Solutions, LLC is 100% Owner
 - DOC 1 Solutions, LLC committed to a 100% SBEC by self-performing
- Status: In Design – Target Opening 1/25/2023
- Initial Proposed Capital Investment: \$330,000
- Projected Capital Investment: \$1,300,000
- \$159,800 per rent to the airport; or
 - 16% of gross receipts per year



DENVER INTERNATIONAL AIRPORT



Small Business Enterprise Concession

- Annual revenues for food, beverage and retail must not exceed the SBA Size Standard with an overall Cap of \$8 million, averaged over three years
- Must actively be in business for 6 months
- 51% of company ownership must be under the Personal Net Worth standard of less than \$1.32 million