

BILL/ RESOLUTION REQUEST

- 1. Title:** Approves an agreement between the City and County of Denver and Service America Corporation, d/b/a Centerplate for 5-years to provide food, beverages and retail services for the colorado Convention Center and the City's Performing Arts Complex. (THTRS-201310982)

- 2. Requesting Agency:** Arts & Venues Denver

- 3. Contact Person *with actual knowledge of proposed ordinance***
Name:Kent Rice
Phone:720-865-4202
Email:kent.rice@denvergov.org

- 4. Contact Person *with actual knowledge of proposed ordinance who will present the item at Mayor Council and who will be available for first and second reading, if necessary***
Name:Kent Rice
Phone:720-865-4202
Email:kent.rice@denvergov.org

- 5. Describe the proposed ordinance, including what the proposed ordinance is intended to accomplish, who's involved**
 - a. Scope of Work**

Service America Corporation, d/b/a Centerplate, a Delaware corporation licensed and authorized to do business in the State of Colorado, shall provide food, alcoholic and non-alcoholic beverages, and retail services, including concession, banquet and catering services, and merchandise sales services for the Colorado Convention Center ("CCC") and the City's Performing Arts Complex ("PAC").

 - b. Duration**

July 1, 2013 through June 30, 2018

 - c. Location**

The Colorado Convention Center and the Performing Arts Complex

 - d. Affected Council District**

8

 - e. Benefits**

This is a hybrid revenue/expenditure concession agreement with a five (5) year term.

 - The new contract will contribute a material revenue increase to the City with a minimum guarantee of \$5,000,000 on an annual basis
 - The new contract establishes a Business Incentive Fund, which will be used to keep the Convention Center competitive in its marketing efforts to bring new meetings and events to

the City. This is vital, given the enormous economic benefit provided to the City annually from the Convention Center

- The new contract establishes a Marketing Fund which will be used to promote and market new business to the Performing Arts Complex
- Centerplate has agreed to invest \$500,000 to be spent at the facilities to improve customer experience and generate increased business
- Centerplate has agreed to continue collaborating with the City's Denver Seeds programs, to fund both operational and educational initiatives which support the City's sustainability goals
- The added revenue from the new contract will also allow the City to set aside much-needed dollars to fund CIP needs at the Convention Center. To remain competitive, the eight-year old facility with 2.2m sq. ft. of space, requires many annual improvements for which there is no dedicated revenue source

\$25,000,000.00 estimated revenue (over a five (5) year period)

\$ 125,000.00 estimated costs (over a five (5) year period)

\$24,875,000.00 net revenue to the City

f. Costs

\$25,000 per year (a cumulative cost of \$125,000 over a five (5) year period) promoting and marketing the Performing Arts complex (note, Centerplate will match \$50,000 per year of City's \$25,000 per year to the Marketing Fund to be used for promoting and marketing costs; (Centerplate's cumulative match equals \$250,000)).

6. Is there any controversy surrounding this ordinance, groups or individuals who may have concerns about it? Please explain.

This competitively bid contract has generated interest from a wide variety of stakeholders.

Bill Request Number: BR13-0306

Date: 5/7/2013