



# SKYPORT DEVELOPMENT, LLC CONTRACT AMENDMENT AND B MEZZANINE CONCESSION AGREEMENTS

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# BACKGROUND

- Skyport Development Agreement on B Mezzanine
  - Entered into in 1997; expires 5/30/2019
    - Developer: Skyport Development, LLC. (David Mosteller)
    - ACDBE status: DSBO goal was 27%, now 33%
  - Obligates developer to develop the B Mezzanine and to keep it full of sub-tenants
  - Multiple amendments have been completed governing wide ranging issues to facilitate development of B Mezzanine

# APPROVALS BEFORE YOU TODAY

- B Mezzanine Redevelopment Resolutions
  - Skyport Development Company, LLC, 10th Amendment – AC69004-10
  - DEN Breakfast, LLC, d/b/a Snooze – 201840472
  - DEN Mex, LLC, d/b/a Hacienda Colorado – 201840469
  - DIA Tech Services – 201840470
  - FM Wok, LLC, d/b/a City Wok & Sushi Sake – 201840471
  - Bonanno Airport, LLC d/b/a Osteria Marco – 201840479
  - Skyport Group, LLC d/b/a Grabba Green – 201840476
  - Bridges 5280, LLC d/b/a Veuve Clicquot Raw Bar, Wow Bao & Peets – 201840483
  - Skyport Group, LLC d/b/a Qdoba, Shake Shack & Jamba Juice – 201840468
  - JAF Concessions, LLC d/b/a Sunglass Hut – 201840467
  - Skyport Development Company, LLC DFASS PVC Amendment - 201631945
- Establishes process for managing the turnover of mezzanine space and subtenants to DEN

# DEN STRATEGY CONSIDERATIONS

- Given existing traffic levels, DEN is lacking adequate concessions space
- Center core of each concourse is integral to DEN's concessions program
- Food and beverage is a stronger draw than retail and is able to perform better in unique locations
- Increasing traffic levels on Concourse B support utilizing mezzanine space
- DEN's concessions strategy calls for the development of food and beverage concepts on the B Mezzanine
- Limited opportunities to grow revenue at DEN; concessions offers an opportunity for revenue growth



# REDEVELOPMENT OUTCOMES

- **Concept Planning & Programming**

- Focused delivery of fresh, trendy and local food concepts within a short timeframe
- Meets DEN’s concession strategy with food and beverage development on mezzanine
- Allows DEN to prioritize retail development on Concourse level
- In alignment with United Airlines vision for Concourse B

- **Financial**

- Includes all proposed concepts, Aviator’s BBQ and SkyMarket

	Current	Proposed	% change
Gross Sales	\$36M	\$58M	+63%
DEN Revenues	\$3.7M	\$8.4M	+124%

- **ACDBE Program**

- Goal moved from 27% to 33%. Currently proposing 44% participation
- JAF Concessions (Winchester), Airport Hospitality Services (Deslongchamp), Concessions of a Gladman (Ruskaup)

# TIMING OF THE REDEVELOPMENT

- Redevelopment occurs in two phases
  - Phase 1 – Begins 6 months from contract execution
    - Open for Business 6 months later
  - Phase 2 – Begins on heels of Phase 1
    - Open for Business 6 months later



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