

FOOD & BEVERAGE SERVICE AT THE CONVENTION CENTER AND ARTS COMPLEX

A. Background:

1. One contractor provides service at both complexes, though the product delivered varies markedly due to the difference in venues and customers.

i. Colorado Convention Center:

- one of top-rated centers in US
- 2.2m sq ft in total, with 1m visitors annually
- requires a subsidy from the GF of 2.7m/year, but generates an economic impact of \$500m annually
- building operations done by SMG, booking/marketing done by Visit Denver

A. Background: (cont'd)

ii. Denver Performing Arts Complex:

- second largest arts complex in US [Lincoln Center in New York in first place]
- Boettcher Concert Hall, Buell Theatre, Ellie Caulkins Opera House, Bonfils Theatre Complex, Garner Galleria Theatre, Limelight Restaurant, Sculpture Park

2. Revenue has recently been \$3.8m annually, 80% from the Convention Center, 20% from the Arts Complex.

A. Background: (cont'd)

3. The revenue is split between the two Special Revenue Funds that comprise Arts & Venues: #15815 for the venues/cultural programs and #15607 for the convention center.
4. The incumbent, Centerplate [aka Service America Corporation], won the contract in a competitive bidding process, supervised by Purchasing. Four national bidders participated.
5. Selection panel consisted of six voting members and seven advisors, including people from inside the City and outside. Vote was unanimous.

B. Contract Summary:

Term: July 1, 2013-June 30, 2018

1. The deal provides for a \$5m guarantee for each of five years with an opportunity to earn more, depending on actual sales generated in each complex.
2. Centerplate agreed to contribute \$500k for capital improvements at Limelight at the Arts Complex and the Blue Bear Farm at the Convention Center.

B. Contract Summary: (cont'd)

3. A new Business Incentive Fund has been established to help keep the Convention Center competitive in a sector that is becoming increasingly commoditized. A Marketing Fund is also being established to help activate the Galleria space at the Arts Complex.
4. Centerplate will continue its collaboration with the Denver Seeds program, to help support the City's sustainability goals.

B. Contract Summary: (cont'd)

5. Estimating a minimum of \$25m in revenue to the City over the five year contract [\$ 125k cost].
6. The added revenue for the Convention Center will enable the City to fund much-needed capital improvements at the Convention Center and potentially reduce the annual GF transfer to SMG.