

**ORDINANCE/RESOLUTION REQUEST**

Please email requests to the Mayor’s Legislative Team  
at [MileHighOrdinance@DenverGov.org](mailto:MileHighOrdinance@DenverGov.org) by **3:00pm on Monday**.

***\*All fields must be completed.\****  
*Incomplete request forms will be returned to sender which may cause a delay in processing.*

**Date of Request:** 05/06/13

Please mark one:     **Bill Request**                      or                       **Resolution Request**

**1. Has your agency submitted this request in the last 12 months?**

**Yes**                       **No**

**If yes, please explain:**

**2. Title:** Ordinance request approving an agreement between the City and County of Denver and Service America Corporation, d/b/a Centerplate, THTRS-201310982

**3. Requesting Agency:** Denver Arts & Venues

**4. Contact Person:** *(With actual knowledge of proposed ordinance/resolution.)*

- **Name:** Kent Rice/Frank Delmonte
- **Phone:** 720-865-4202 / 720-865-4233
- **Email:** [kent.rice@denvergov.org](mailto:kent.rice@denvergov.org) ; [frank.delmonte@denvergov.org](mailto:frank.delmonte@denvergov.org)

**5. Contact Person:** *(With actual knowledge of proposed ordinance/resolution who will present the item at Mayor-Council and who will be available for first and second reading, if necessary.)*

- **Name:** Kent Rice/Frank Delmonte
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**6. General description of proposed ordinance including contract scope of work if applicable:**

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”).

***\*\*Please complete the following fields:** (Incomplete fields may result in a delay in processing. If a field is not applicable, please enter N/A for that field.)*

- a. Contract Control Number:** THTRS-201310982
- b. Duration:** July 1, 2013 through June 30, 2018
- c. Location:** The Colorado Convention Center and the Performing Arts Complex
- d. Affected Council District:** 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

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- 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)).

**7. 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.

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## EXECUTIVE SUMMARY

Ordinance request approving an agreement between the City and County of Denver and Service America Corporation, d/b/a Centerplate, THTRS-201310982

### Material Terms:

- Five Year Contract: July 1, 2013 through June 30, 2018
- City Commission Rate(s) – (payable to the City each month):
  - 34% of Gross Receipts from the Convention Center and 35% of Gross Receipts from the Performing Arts Complex from July 1, 2013 through June 30, 2016
  - 37% of Gross Receipts from the Convention Center and 38% of Gross Receipts from the Performing Arts Complex from July 1, 2016 through June 30, 2018
- Minimum Guaranteed Payment: In the event the aggregate of City Commissions during a contract year are less than the following amounts, the City will receive the amounts set forth below:
  - July 1, 2013 through December 31, 2013: \$2,500,000
  - January through December (2014 through 2017): \$5,000,000/year
  - January 1, 2018 through June 30, 2018: \$2,500,000
- Centerplate to contribute \$500,000 to be spent at the facilities as follows:
  - Integrated point of sale system at PAC
  - Outdoor kitchen area and semi-permanent finished deck at the Urban Farm at the CCC
  - Improvements to generate increased activity and improve the public's experience at PAC (e.g., renovation of PAC restaurant such as an outdoor bar, a remodeled kitchen, and increased seating area)

### Background: RFP Process:

- Competitive Bid Process:
  - Nine vendors (nineteen outside people) toured the facilities
  - Four vendors submitted proposals and presented to the Selection Committee
    - Only four vendors opted into process: Aramark, Savor, Centerplate, and Levy
- Selection Committee and Facilitators/Advisors:
  - Unanimous vote selecting Centerplate
  - Selection Committee: seven members; three from community and four from City
  - Facilitators/Advisors: seven members; one industry expert and six from City

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