

## **BILL/ RESOLUTION REQUEST**

**1. Title:** Amends an agreement with Quiz-DIA, LLC dba Mesa Verde Lounge to extend the contract term by three years for concession space on Concourse A. (PLANE-AC4A005-04)

**2. Requesting Agency:** DIA

**3. Contact Person *with actual knowledge of proposed ordinance***

**Name:**Bryan Touchstone

**Phone:**303-342-2501

**Email:**bryan.touchstone@flydenver.com

**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:**Brian Elms

**Phone:**303-342-2278

**Email:**brian.elms@flydenver.com

**5. Describe the proposed ordinance, including what the proposed ordinance is intended to accomplish, who's involved**

**a. Scope of Work**

The Amendment to Agreement to convert a smoking lounge to non-smoking use complies with the exception to Executive Order 8B. Quiz-DIA, LLC has the smoking lounge on Concourse A that will expire in August 2016. Converting the smoking lounge to non smoking reduces the cash flow from this location. Further, Quiz-DIA will need to reconfigure and expand in order to eliminate the Smoking Lounge at a minimum cost of \$930,000. The term will be extended for an additional three (3) years in order for the concessionaire to amortize the investment.

A direct negotiation process was used to negotiate the amendment because it involved modifying an existing contract in order to eliminate smoking in the premises sooner than the end of the current term, which is August 2016. The elimination of smoking results in a significant impact to the concessionaire's sales, space configuration, mid-term refurbishment investment requirements and term.

**b. Duration**

9/1/2006 to 8/31/2019 (Amendment adds 3 years to extend term to 2019)

**c. Location**

DIA

**d. Affected Council District**

District 11

**e. Benefits**

Eliminates smoking and provides on-going revenue generation.

**f. Costs**

Revenue contract - \$643,869 Minimum Annual Guarantee

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

**Bill Request Number: BR12-0416**

**Date: 5/15/2012**