



75th & Gun Club at West Approach District: Aaravya Gas & Convenience Lease

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Agenda



- Opening Remarks
- City Council Request
- Procurement Process & Timeline
- Lessee Information
- Development Concept
- Open Discussion & Closing





100 MILLION ANNUAL PASSENGERS

- SUSTAINABILITY & RESILIENCY • EQUITY, DIVERSITY, INCLUSION & ACCESSIBILITY
- OPERATIONAL EXCELLENCE • ENHANCING THE CUSTOMER EXPERIENCE

PILLAR 1



EMPOWERING OUR PEOPLE

- Develop Workforce Leadership Strategy
- Establish Center of Equity and Excellence in Aviation
- Enable Employee Innovation

PILLAR 2



GROWING OUR INFRASTRUCTURE

- Complete Major Infrastructure Projects
- Update Master Plan
- Develop Infrastructure Plan for DEN Real Estate

PILLAR 3



MAINTAINING WHAT WE HAVE

- Upgrade and Improve the Existing Facility
- Update Strategic Asset Management Plan
- Implement Customer-Focused Initiatives
- Develop Greenhouse Gas Emissions Reduction Plan

PILLAR 4

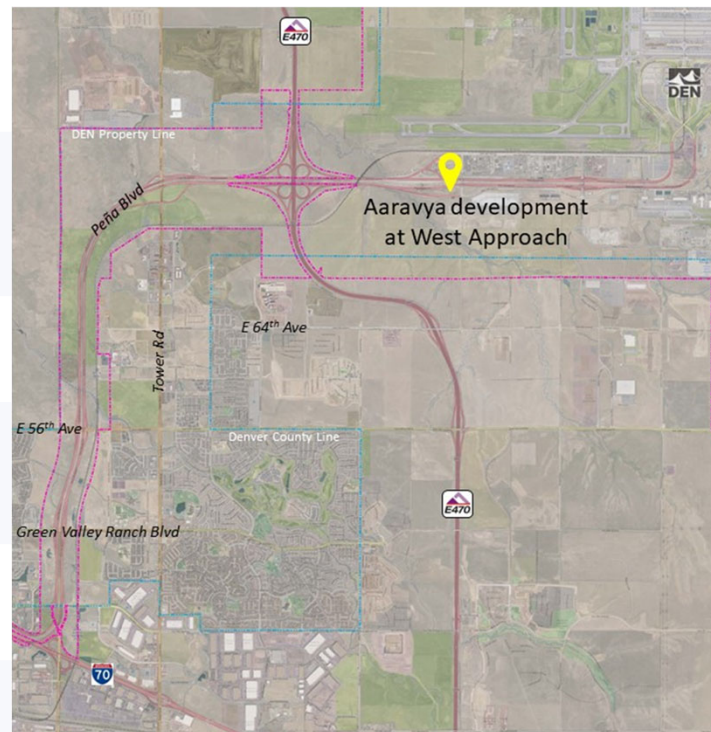


EXPANDING OUR GLOBAL CONNECTIONS

- Identify Air Cargo Opportunities
- Expand to Disconnected Destinations (e.g. Africa)
- Grow our Domestic Network

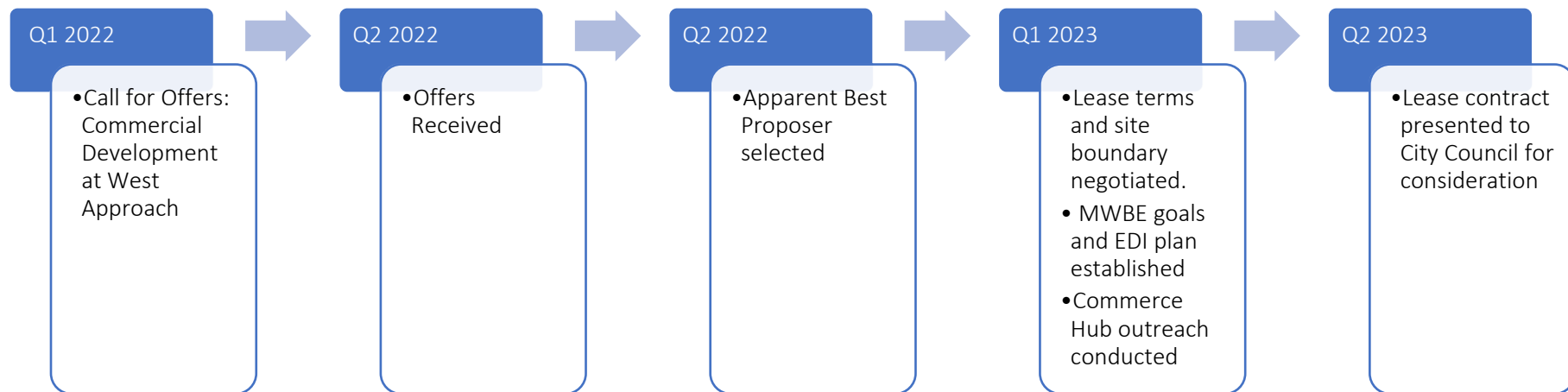
To approve lease agreement between Aaravaya Investments, LLC and DEN for the development and operation of a gas and convenience facility.

DEN Real Estate expects this initial development to catalyze growth throughout the district. A successful and high-quality commercial development at this site is the first step in creating a retail and hospitality destination at West Approach to fulfill DEN's Strategic Development Plan (SDP) by developing 1,500 acres of commercial development in accordance with the 2016 amendment to the New Airport IGA.



PROCUREMENT PROCESS & TIMELINE

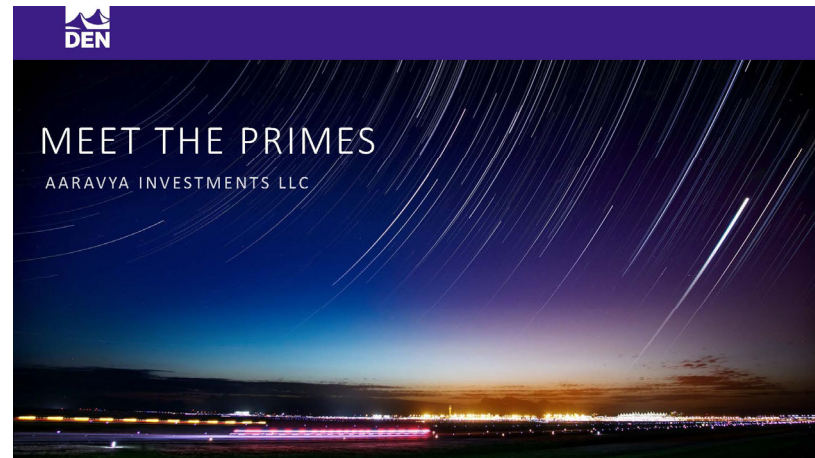
- Denver International Airport (DEN) released a call for offers at the beginning of 2022 for commercial development at DEN's West Approach district. Proposals were requested for site-specific or master-planned hospitality and retail development on any or all of the district's 26 acres.
- Two responsive offers were received, both for gas and convenience store operations on the northwest corner of 75th Ave. and Gun Club Road.



- Aaravya Investments LLC was selected as the apparent best proposer.
 - Aaravya is a minority-owned business/operator that actively engages with underutilized businesses as part of their company values. More than 75% of Aaravya's workforce identify as either woman or minority.
 - The company currently operates 3 gas and convenience sites and has working experience in renewable energy and sustainability projects. It employs approximately 34 individuals and serves more than 3,000 customers per day. Aaravya's CEO has 20+ years of experience in the fuel and retail industry
 - There are no outside equity or financial partners
 - Aaravya's CEO is active in the industry and his local community, serving as a board member of the Mid-Missouri Retailers Association and the Boone County Local Emergency Planning Committee.
 - If approved, this will be Aaravya's first contract with DEN.



- Meet the Primes
 - Aaravya CEO joined DEN Real Estate at a *Meet the Primes* event in October to inform the MWBE community of construction opportunities at their site
- Community Town Hall
 - DEN Real Estate attended Councilmember Gilmore's February town hall to update neighbors on the proposed development and answer any questions about DEN Real Estate
- DEN Commerce Hub
 - Aaravya is working with the Commerce Hub to reach out to potential partners, including Airport Concessions Disadvantaged Business Enterprises, for food & beverage and other components of their business operation



DEVELOPMENT CONCEPT

- Elevated gas and convenience featuring local and site-specific amenities:
 - Fresh and healthy food options
 - Curated local offerings
 - 2 drive-thrus (1 – Healthy Quick Serve Restaurant; 1 – Coffee)
 - Dual solar panel fueling canopies
 - Dual-sided Level 3 DC fast-chargers (handicap accessible) for electric vehicles. 3 stations (6 vehicles) at the opening. Full build-out to 20-vehicle capacity.
 - Efficient electrical and water systems
 - 3-sided roof deck for airplane and mountain viewing



DEVELOPMENT BENEFITS

This state-of-the-art convenience concept includes sustainability and social goals, aligns with DEN's Vision 100 and is expected to provide an enhanced experience to both the traveling public as well as the communities surrounding DEN.

Lease terms in a contract to be presented to Denver City Council for approval include:

- 20-year ground lease with up to four options to extend the lease by five years each
- \$2.02/sq. ft. base rent calculation with a 2% annual rent adjustment; \$264,000 anticipated base year rent
- 5% performance rent on revenue from the sale of goods and merchandise, food and beverages and alcoholic beverages with an escalation to 6% of food and beverage and 7% of alcoholic beverages based on exceeding projected revenue thresholds
- Fuel performance rent escalating from \$0.03 per gallon to \$0.06 per gallon based upon the gallons of fuel
- EV Power Performance Rent of \$0.03 per Kilowatt-hour sold for EV Power
- 14% Minority & Woman Business Enterprise design and construction goal
- 30.8% Airport Disadvantaged Business Enterprise Program (ACDBE) goal for food and beverage and 27.3% ACDBE goal for retail sales (excluding gas and convenience)
- Compliance with Prevailing Wage and City Minimum Wage

CONCEPTUAL SITE PLAN



**final design and site orientation subject to change*

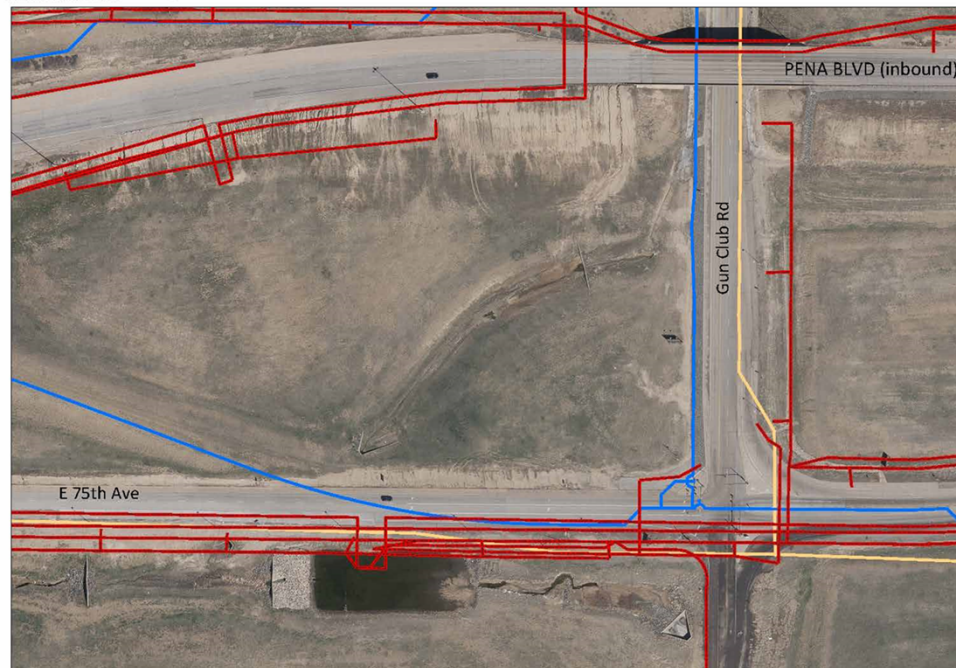
DEVELOPMENT SCHEDULE

- DEN utility design and rough order of magnitude (ROM) – Q3 2023
- DEN construction procurement – Q4 2023
- Aaravya finalize design and entitlements – Q4 2023
- Aaravya site construction – Q3 2024
- DEN deliver utilities to site - Q3 2024
- Aaravya opening – Q4 2024

Securing a lease with Aaravya diversifies airport revenue to further solidify DEN's role as an economic engine for the City and region.

DENMaps
DENVER INTERNATIONAL AIRPORT

75th and Gun Club - Existing Conditions



DENVER INTERNATIONAL AIRPORT

