



HTC BREWERY AND COFFEE/CONVENIENCE CONCOURSE B & C

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HOW THIS STARTED

- DEN built the Westin Hotel
 - Restaurant space was included
- Issued a Request for Proposal in December 2014
 - Attributes of the opportunity
 - Experienced restaurateur
 - Large capital investment required



INTERNAL EVALUATION

- Process enhancement
 - Transparent communication
 - Refined solicitation process
 - Updated RFP documents
 - Deliberate and detailed schedule
- Refined concessions Use Agreement
 - Industry modelling
 - Review and adoption of internal DEN best practices
 - Designed to create a collaborative partnership



LESSONS LEARNED

- Leverage opportunity risk and improve competition
 - Common industry solutions
 - Package versus individual location
 - Leveraging existing needs
- Refined packaged offer
 - HTC Restaurant– Casual dining / Bar concept
 - HTC Convenience– A branded coffee / Convenience concept
 - Concourse B – Casual dining / Bar concept
 - Concourse C – Casual dining / Bar concept



FINANCIAL CONSTRUCT REVIEW

- Past projected revenue
 - Capital investment requirements
 - Minimum guarantee
 - Proposed percentage fee
- Current projected revenue
 - DEN-created pro forma (Shadow modeling)
 - Minimum Capital Investment (\$10 million)
 - Minimum Annual Percentage Fee (\$1.96 million/year); or
 - Percentage Fee 16.5% - 18.5% (Gross Receipts)



SOLICITATION PROCESS

- Defined organizational roles
 - Subject matter expert (Requesting Division)
 - Procurement process (Business Management Services)
 - Minimum Qualifications (BMS/Legal)
 - ACDBE requirements (Division of Small Business Opportunities)



SOLICITATION PROCESS

- Request for Proposal issued on Sept. 1, 2015
- Proposals due on Oct. 8, 2015
- Mandatory pre-proposal conference: Sept. 11, 2015 9 a.m.
- Questions due: September 22, 2015 (All questions answered online)
 - 90+ members of the concession industry attended
- Addendum issued on Oct. 1, 2015
 - Published Concentration of Ownership Chart relevant to RFP



PROPOSALS RECEIVED

- Responding Entities
 - Areas HTC DEN JV, LLC
 - DIA Brewing Co., LLC
 - MCE-DIA, LLC
 - Delaware North/Trugoy/Optimal Denver, LLC
 - Host CTI DSL DEN, LLC
- All five proposals met minimum qualifications
- All five proposals reviewed for ACDBE requirements



EVALUATION PROCESS (CRITERIA)

	Evaluation Criteria	Weight
1	Customer Experience Initiative	10%
2	Strength of the Proposed Concept and Design	30%
3	Experience and Qualifications.	20%
4	Operations and Management Plan	15%
5	Business and Financing Plan	15%
6	Interviews and Presentation	10%
	TOTAL POINTS	100%



RECOMMENDED PROPOSER

- MCE-DIA, LLC
 - Midfield Concessions Enterprises, Inc. (75% Owner)
 - Woman owned business
 - 45 restaurant locations in 10 airports
 - \$46 million in gross receipts in 2014
 - Simrae Solutions, LLC (15% Owner)
 - Pangea Concessions Group, LLC (10% Owner)
- 100% of gross receipts are considered ACDBE



PROPOSER'S CONCEPTS

- HTC Level 5: Tom's Urban Kitchen and Brewery
- HTC Level 1: Roasting Plant
- Concourse B and C: Smashburger & Bar



OTHER PACKAGE HIGHLIGHTS

- 10 Year Term
- Privilege fee is the greater of:
 - Minimum Annual Percentage Fee (\$1.96 Million)
 - Percentage Fee (17.36% of Gross Receipts)
- First year projected gross receipts (\$18.5 Million)
- First year projected revenue (\$3.2 Million)
- ACDBE goal of 25%
 - First year projected ACDBE gross receipts (\$4.6 million)
- Capital investment (\$10.3 Million)



CONCLUSION

- Fair open and transparent process
- New concessions operator and ACDBE partners
- Local, national and internationally recognized concepts
 - Tom's Urban Kitchen and Tivoli brewery
 - Roasting Plant
 - Smashburger
- New opportunity expanding jobs in city and county (44 + new jobs)



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