

A stylized map of North America in shades of blue, with a grid of latitude and longitude lines. A black dot is placed over the location of Denver, Colorado, with the word "DENVER" written in black capital letters to its right.

● DENVER

DIA Premium Value Concessions Program

Presented by DIA Staff
October 5, 2011



DENVER INTERNATIONAL AIRPORT
TOGETHER WE SOAR

DIA Concessions Program Overview

- 2010 Information:
 - Sales generated: \$258 million
 - Revenue to Airport: \$40 million
 - 170,000 sf generating an average of approximately \$1500 psf in sales
 - 2011 sales thru June trending up 3.2% over 2010

Strategy

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- Add gross concessionable space to address increased passenger traffic
- Improve under-performing locations, keep top-performing
- Continue to strengthen F&B performance by broadening consumer choice
- Develop a Sense of Place
 - Encourage local sourcing where feasible
 - Iconic products and brands



DIA Concessions Program Overview

- Major Initiatives
 - Retail Merchandising Unit (RMU) Program (i.e. Kiosks)
 - Recent RFPs
 - Premium Value Concession Program

DIA Concessions – RMU (Kiosk) Program

- Opened September 14
- 34 small format retail locations
- 25% ACDBE requirement
- 16 locations are operated by local businesses
- Estimated sales of \$13 million
- Revenue to DIA of \$1 million
- Sales tax approximately \$500k annually

DIA Concessions - Recent RFPs

- Issued 6 RFPs in March, 5 RFPs in August
- All have ACDBE Goals 15% to 40%
- Projected annual sales increase of \$13.2 million over current operators, \$1.7 million rent, \$500k sales tax
 - March RFPs, panelists have selected 2 well known local restaurants
 - August RFPs, proposals due December 1

DIA Concessions – Premium Value Concessions Program

- Over 2 years collaboration with concessionaires
- Measures the “best performers” in concessions
 - Lease compliance
 - Financial Performance
 - Customer Service
- “Best Performers” offered a new concession agreement
- The PVC Program is in addition to the airport’s ability to RFP, or Direct Negotiate space to ensure the high quality of its Concessions



DIA Concessions – PVC Program (cont'd)

- Benefits are an estimated \$5-6 million annual additional rent to the airport
- Best Customer Service and merchandising is maintained for the customer
- Works with the Airport's ACDBE goals
- Third Party Administrator
 - Gathers data, generates reports, determines concession eligibility

DIA Concessions – PVC Program (cont'd)

- Contracts forthcoming
- 59 Premium Value concession amendments (BR11-0666)
 - Broken into two submissions (BR11-667)
- Contract for the Third Party Administrator

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