

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at MileHighOrdinance@DenverGov.org by **11 a.m. Friday**. Contact the Mayor's Legislative team with questions

Date of Request: December 21, 2023

Please mark one: Bill Request or Resolution Request

1. Type of Request:

- Contract/Grant Agreement Intergovernmental Agreement (IGA) Rezoning/Text Amendment
 Dedication/Vacation Appropriation/Supplemental DRMC Change
 Other:

2. **Title:** Approves a contract amendment with CI/CP, LLC., dba Panda Express & Freshens Fresh Food Studio to grant the Panda Express location a three-year extension based on the increased capital investment costs that CI/CP, LLC will incur. PLANE 202371259-03 / Legacy: 201737101)

3. **Requesting Agency:** Department of Aviation

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution (e.g., subject matter expert)	Contact person for council members or mayor-council
Pamela Dechant, Senior Vice President Concessions	Name: Kevin Forgett, Manager of Legislative Affairs
Email: Pamela.Dechant@flydenver.com	Email: Kevin.Forgett@flydenver.com ,

5. General description or background of proposed request. Attach executive summary if more space needed:

This request is for a non-competitive amendment between CI/CP, LLC., dba Panda Express and Denver International Airport (DEN). CI/CP, LLC., dba Panda Express has earned a Premium Value Concessions (PVC) Program Benefit and was awarded a contract, contract # 201737101, with the intent that the contracted location would be built out as part of the future A-Concourse Food Court under the DEN Concessions Master Plan. After the project had begun and drawings were complete, DEN notified CI/CP, LLC., that the Panda Express location would be relocated to the southwest quadrant on the A-Concourse Center Core to align the placement of the new location with the Concessions Master Plan. The master plan requires DEN to relocate the A-Concourse Food Court to the Southwest Quadrant of A-Center Core, and the existing space will be put out for a Request for Proposal (RFP). The term for this opportunity is 10 years, to allow the concessionaire to amortize their capital investment of \$903,750 to build out this 1,205 square foot location, and to construct a new food court. Additionally, a Year 1 Rent Credit will be provided to CI/CP, LLC., in the amount of (\$130,626.41) for the reimbursement of the design fees that were incurred for the conceptual drawings of their A-Concourse location, prior to receiving notice of the relocation of the future concept. No other funding or capital investment will be provided by DEN, as the space will be turned over as is.

DEN requests City Council to approve the 3rd amendment which will grant the Panda Express location a three-year extension based on the increased capital investment costs that CI/CP, LLC will incur. The term extension is not applicable to the Freshen's Fresh Food Studio location.

6. **City Attorney assigned to this request (if applicable):** Brent Larson

7. **City Council District:** 11

8. ****For all contracts, fill out and submit accompanying Key Contract Terms worksheet****

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property): Concession Agreement Amendment

Vendor/Contractor Name (including any dba's): CI/CP, LLC., dba Panda Express & Freshen's Fresh Food Studio

Contract control number (legacy and new): PLANE 202371259-03 / Legacy: 201737101

Location: Denver International Airport

Is this a new contract? Yes No **Is this an Amendment?** Yes No **If yes, how many?** 3

Contract Term/Duration (for amended contracts, include existing term dates and amended dates):
10 years

Contract Amount (indicate existing amount, amended amount and new contract total):

<i>Current Contract Amount</i> (A)	<i>Additional Funds</i> (B)	<i>Total Contract Amount</i> (A+B)
\$593,371.16 Minimal Annual Guarantee (MAG) or percentage fee of 17%. [Panda Express]	N/A	\$593,371.16 Minimal Annual Guarantee (MAG) or percentage fee of 17%. [Panda Express]
\$282,969.56 Minimum Annual Guarantee (MAG) or percentage fee of 15.11% [Freshen's]		\$282,969.56 Minimum Annual Guarantee (MAG) or percentage fee of 15.11% [Freshen's]

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
7 years	3 years	10 years

Scope of work:

CI/CP, LLC., will design, build, manage, and lease Panda Express on Concourse A in the Center Core Southwest Quadrant. CI/CP, LLC., has committed to investing a minimum of \$903,750 to design, and build this concession space, and to construct a new food court. To amortize CI/CP, LLC., capital investment, they will receive a contract term of 10-years. Denver International Airport (DEN) will receive the greater of either a guaranteed rent/Minimum Annual guarantee (MAG) of \$593,371.16 or a percentage rent of gross sales. The percentage fee will be 17% for Food & Beverage. Minimum Annual Guarantee (MAG) is the initial calculation based on the projected gross sales by the concessionaires for the space multiplied by the proposed percentage fee listed above. MAG is recalculated each contract year and will be equal to the greater of the initial MAG or eighty-five (85%) of the total Privilege fees payable in the prior Contract Year.

Was this contractor selected by competitive process? Yes **If not, why not?**

Has this contractor provided these services to the City before? Yes No

Source of funds: Revenue

Is this contract subject to: W/MBE DBE SBE XO101 ACDBE N/A

WBE/MBE/DBE commitments (construction, design, Airport concession contracts): 33% Airport Concessions Disadvantaged Business Enterprise (ACDBE) / 25% M/WBE

Who are the subcontractors to this contract? The ACDBE partner is City Park Food Services, LLC., (8% ownership) & City Park Food and Beverage Services, LLC., (25% purchasing). M/WBE firms will be selected by the concessionaire's selected General Contractor, after the execution of the concession agreement and the construction contract. The M/WBE firms are reviewed and approved by DSBO prior to DEN's issuance of Notice to Proceed with construction for the concession location. A Notice to Proceed is provided by DEN to the concessionaire after all applicable documents, such as Bonds, Insurance, Permits, and DSBO approval, have been provided by the concessionaire, and their selected general contractor to begin construction of the concession location.

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