

A blue-tinted map of North America with a grid overlay. A black dot is placed over the location of Denver, Colorado, with the word "DENVER" written in black capital letters to its right.

● DENVER

# TAX & DUTY FREE/DUTY PAID & SPECIALTY RETAIL (PLANE-201415388-00)

Neil Maxfield  
DIA Acting Director - Concessions  
August 27, 2014

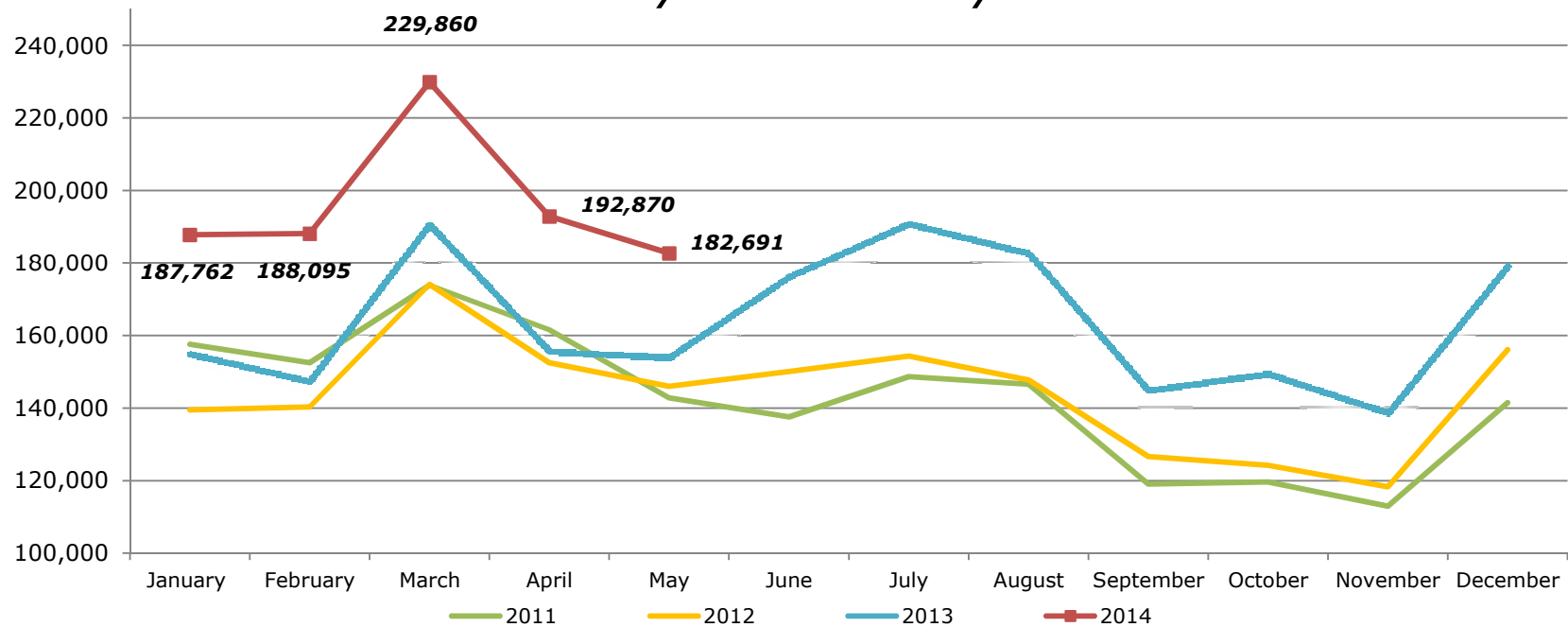


DENVER INTERNATIONAL AIRPORT  
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# DIA Passenger Traffic

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## Denver International Airport International Passengers January 2011 – May 2014



Source: Denver International Airport Internal Traffic Statistics

# Passenger Traffic Trends

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- 13-percent growth in international passenger traffic in CY 2013
  - Overall passenger traffic at DEN declined by one percent in 2013
- 20-percent growth in international passenger traffic YTD May 2014
  - Overall passenger traffic growth of two percent
- 30-percent increase in international destinations served nonstop over the past three years
  - Asia: Tokyo
  - Europe: Reykjavik
  - Caribbean: Punta Cana, Montego Bay
  - Mexico: Guadalajara, Chihuahua
  - Central America: Panama City

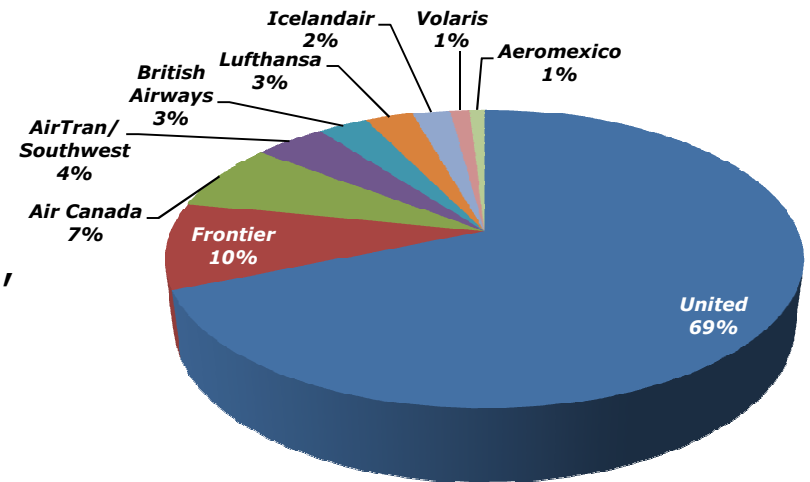
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# Duty Free Snapshot

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- Current international departure activity (CY 2014)

- Concourse A – Europe, Caribbean, Mexico
- Concourse B – Asia, Caribbean, Mexico, Central America
- Concourse C – Mexico



- Current duty free footprint

- Concourse A, Center Core – Liberty Duty Free; 1,011 square feet
- Concourse B, East Center Core – Liberty Duty Free Kiosk; 45 square feet

- Designated future duty free/paid footprint

- Concourse A, Center Core – 2,315 square feet
- Concourse B, Center Core Mezzanine – 2,328 square feet
- Concourse C, Center Core – 1,390 square feet (Option for DF/DP)

# Contract Description

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- Concept: Tax & Duty Free/Duty Paid & Specialty Retail
- Location: A & B Gates Tax & Duty Free/Duty Paid
  - C Gates (Specialty Retail)
- Contract term: 7 years
- Projected opening date: June, 2015
- Projected Year 1 Sales: \$7,662,610
- Projected Employees: 37+
- Projected Annual Rent: \$1,401,592
- ACDBE goal/participation: 33% / 33%



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## Economic Benefits

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- \$7.6M in annual revenues
- \$1.4M in annual rents to DIA plus percentage rent
- \$275K in annual sales tax to CCD
- 37 full and part-time employees
- 30 construction jobs
- ACDBE goals are set by the OED Division of Small Business Opportunity (DSBO)
- Approximately \$2.3M in newly recognized annual ACDBE revenues

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# Selection Process

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- RFP issued October 2013 for Concession Opportunity -
  - Tax and Duty Free/Duty Paid (Concourses A & B)
  - Specialty Retail Sale of Perfumes, Cosmetics & Fashion Accessories (Concourse C)
- 33% ACDBE Goal / 33% participation
- The successful proposer is Dufry North America, LLC
  - Operates tax- and duty-free locations nationwide in Newark Liberty, Houston Intercontinental, Chicago O’Hare and Seattle-Tacoma International Airports
  - Has a large portfolio of specialty retail brands in airports such as JFK, LAX, LAS, DFW and Newark

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# Our New Partners

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- Denver Duty Free JV is a Joint Partnership between
  - Dufry North America, LLC (67%)
  - Odd Tale Books, LLC (23% ACDBE Participation)
    - Responsible for the management, control and direction of the Concourse C location and duty free warehouse
    - Dawn Bookhardt, currently is a joint venture partner with Hudson Group at DIA in nine duty paid locations, including newsstands and four bookstores
  - Wystone's World Teas Holdings, Inc. (10% ACDBE Participation)
    - Responsible for the management, control and direction of the Concourse C location and duty free warehouse
    - Wy Livingston is the developer of Wystone's World Teas product and brand

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