



DENVER INTERNATIONAL AIRPORT

Concessions Overview, Premium Value Concessions &
Concessions Planning International Contracts

October 25, 2023

PENNY MAY
CHIEF COMMERCIAL OFFICER

PAMELA DECHANT
SENIOR VICE PRESIDENT, CONCESSIONS

- City Council Request
- Vision 100
- Concessions Master Plan Update
- Premium Value Concessions (PVC) Overview
- Concessions Planning International (CPI) Contract Request
- Questions?

CITY COUNCIL REQUEST



- Approve Concessions Planning International (CPI) Contract
- Approve 16 Premium Value Concession (PVC) Contracts

<u>Resolution No.</u>	<u>Contract No.</u>	<u>Description</u>
23-1535	202368744	Concessions Planning International Consulting Services
23-1541	202369049	Host-CTI DEN F&B II, LLC – Concourse B East Subcore 2, Cru Wine Bar
23-1542	202369777	ProServe Corporation – Concourse C Southeast Center Core, Bodega DEN
23-1543	202368416	Executive Shine, Inc. – Concourse A, B & C Center Cores, Executive Shine
23-1544	202369779	Trugoy, Inc. – Concourse B Center Core, Starbucks
23-1545	202369785	Genesco Inc. – Concourse B Center Core, Johnston & Murphy
23-1546	202369787	ProServe Corporation – Concourse A Southeast Center Core, Bodega DEN
23-1547	202369816	Skyport Holdings, LLC – Concourse C East Subcore 1, Woody Creek Bakery
23-1548	202369804	Skyport Holdings, LLC – Concourse A West Subcore 1, Pour La France
23-1549	202369876	Skyport Holdings, LLC – Concourse C West Subcore 1, Dunkin Donuts
23-1550	202369790	ProServe Corporation – Concourse B Northwest Center Core, High Land Mercantile
23-1551	202369781	Stellar Partners, Inc. Concourse C Center Core, Out West
23-1552	202369884	ProServe Corporation – Concourse A Northwest Center Core, High Land Mercantile
23-1553	202369812	Mission Yogurt, Inc. – Concourse B East Subcore 2, Einstein Bros Bagels
23-1554	202369886	Lounge 5280, LLC – Concourse C Center Core, Chick-fil-A
23-1555	202369788	InMotion DEN-B, LLC – Concourse B Center Core, InMotion
23-1556	202369789	DIA Juice, LLC – Concourse C West Subcore 1, Jamba Juice



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



The objective of the Concessions program is to generate non-aeronautical revenue for the Airport. We achieve this by providing world class dining, shopping and service offerings while continuing to grow the program through the Concessions master plan.

Vision 100

Concessions is committed to creating more opportunities for minority, women-owned and veteran-owned businesses to do business at DEN and grow to potentially become prime contractors or full concession owners.

CONCESSIONS PROGRAM OVERVIEW



- More than 185 passenger services, dining and shopping locations throughout the terminal and three concourses
- More than 200,000 square feet of concession space
- Recently added 60,000 square feet in the recently completed concourse expansions
- Gross annual sales for 2022 \$513 million
- Concessions integrates the Airport Concession Disadvantaged Business Enterprise (ACDBE), which is a federally mandated program



- First introduced in 2019 – a road map to efficiently meet passenger need
- Supports Vision 100 and Operation 2045
- The needs of small, local, and Airport Concession Disadvantaged Business Enterprise (ACDBE) businesses are reflected in DEN’s commercial and concessions plans
- 24 concession Request for Proposals released between 2019 and 2021, adding an additional 60,000 square feet of new space to the program and continuing development through the pandemic and beyond
- Large concession development plan with many opportunities being released on a regular cadence into 2024

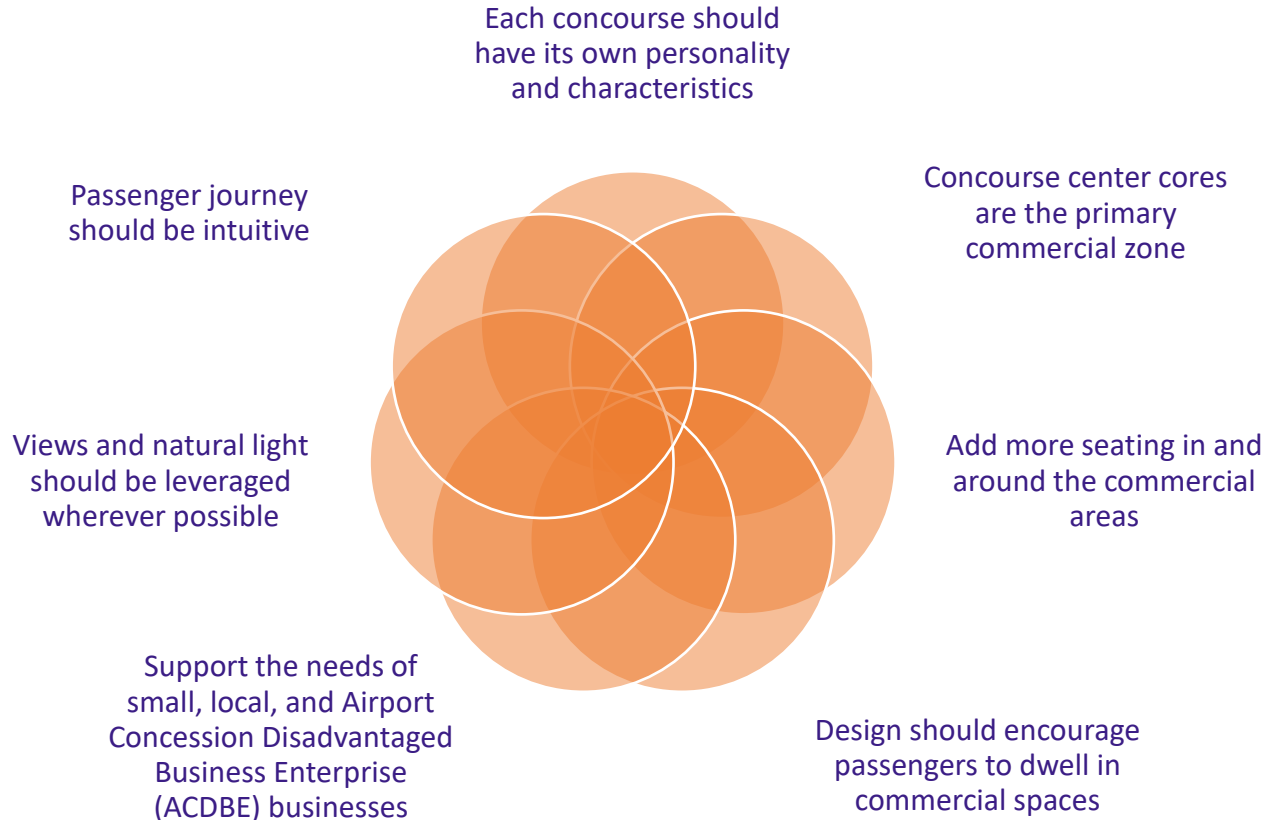
A SOLID MASTER PLAN



- Continuing development through COVID positioned DEN to better meet guest needs
- The concessions masterplan withstood the massive changes in the industry
- Retained the same core planning principles
- Refreshed / updated passenger mix on each concourse



CORE PLANNING PRINCIPLES





Short Dwell Time



Longer Dwell Time

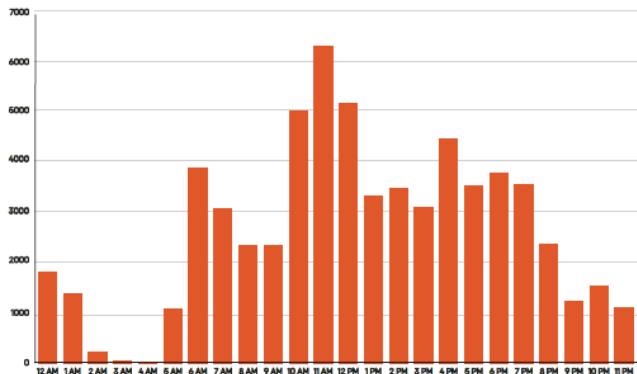


CONCOURSE A PROFILE



- Most diverse concourse with 20 airlines
- Majority of DEN's international traffic
- Approximately 18M total passengers
- 12 gates added in A West Expansion
- Long operating day

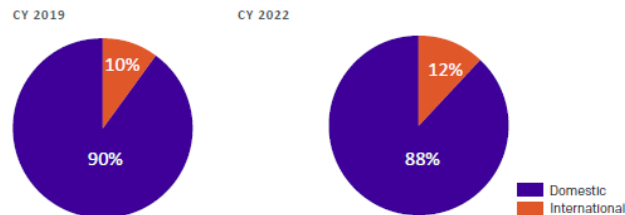
DEPARTING SEATS BY HOUR
CY 2022



ENPLANEMENTS

	CY 2019	CY 2022
Destination	8,146,165	7,258,797
Originating	7,853,422	6,875,430
Transfer	3,735,558	3,801,103

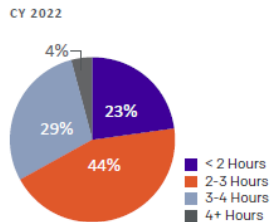
ORIGINATING DOMESTIC AND INTERNATIONAL PASSENGERS



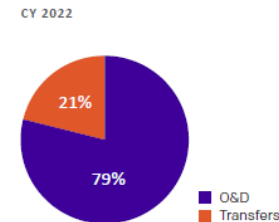
FIRST ARRIVAL/LAST DEPARTURE

	FIRST	LAST
Departure	12:01 a.m.	11:59 p.m.
Arrival	4:00 a.m.	1:00 a.m.

FLIGHT DURATION IN HOURS



% OD/TRANSFER



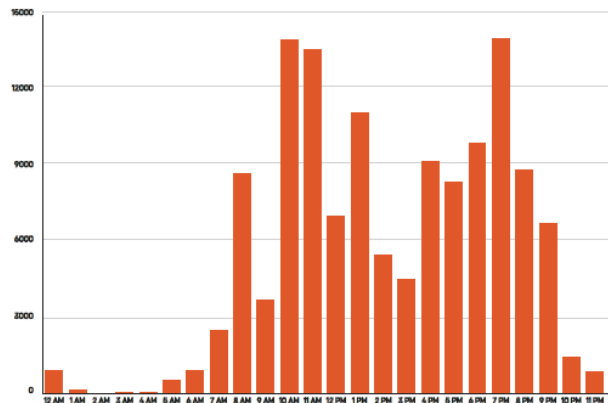
CONCOURSE B PROFILE



- Used entirely by United
- High rate of transfer passengers
- Over 28M total passengers
- 11 gates total added on B West and East
- Multiple large peak banks during day

DEPARTING SEATS BY HOUR

CY 2022



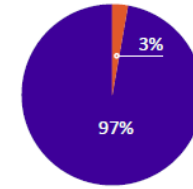
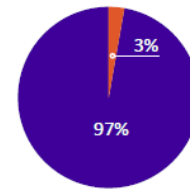
ENPLANEMENTS

	CY 2019	CY 2022
Destination	6,192,266	6,075,134
Originating	6,445,003	6,381,188
Transfer	15,397,871	15,984,607

ORIGINATING DOMESTIC AND INTERNATIONAL PASSENGERS

CY 2019

CY 2022



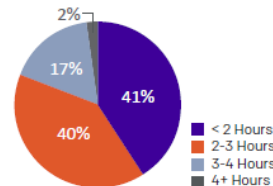
■ Domestic
■ International

FIRST ARRIVAL/LAST DEPARTURE

	FIRST	LAST
Departure	5:00 a.m.	11:59 p.m.
Arrival	6:00 a.m.	12:30 a.m.

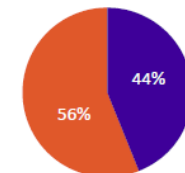
FLIGHT DURATION IN HOURS

CY 2022



% OD/TRANSFER

CY 2022



■ O&D
■ Transfers

CONCOURSE C PROFILE

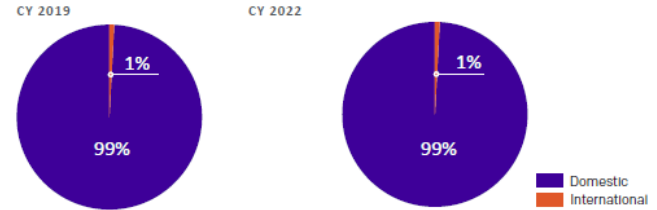


- Primarily used by Southwest
- Substantial volume of transfer passengers
- Over 22M total passengers
- 16 gates added in C East Expansion
- Later large banks of departures

ENPLANEMENTS

	CY 2019	CY 2022
Destination	7,839,239	7,006,522
Originating	7,960,823	7,141,402
Transfer	5,445,035	8,762,278

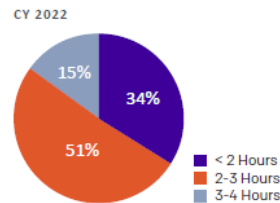
ORIGINATING DOMESTIC AND INTERNATIONAL PASSENGERS



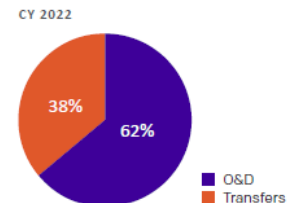
FIRST ARRIVAL/LAST DEPARTURE

	FIRST	LAST
Departure	5:00 a.m.	11:00 p.m.
Arrival	6:00 a.m.	1:55 a.m.

FLIGHT DURATION IN HOURS

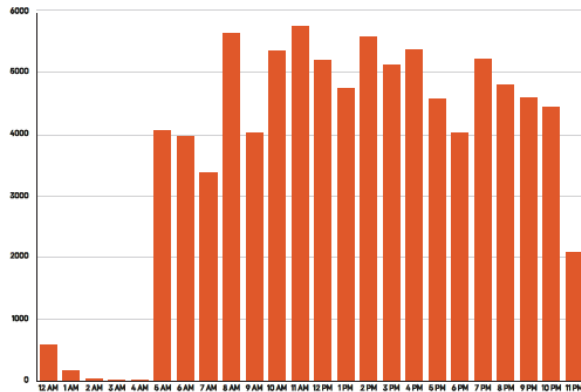


% OD/TRANSFER



DEPARTING SEATS BY HOUR

CY 2022

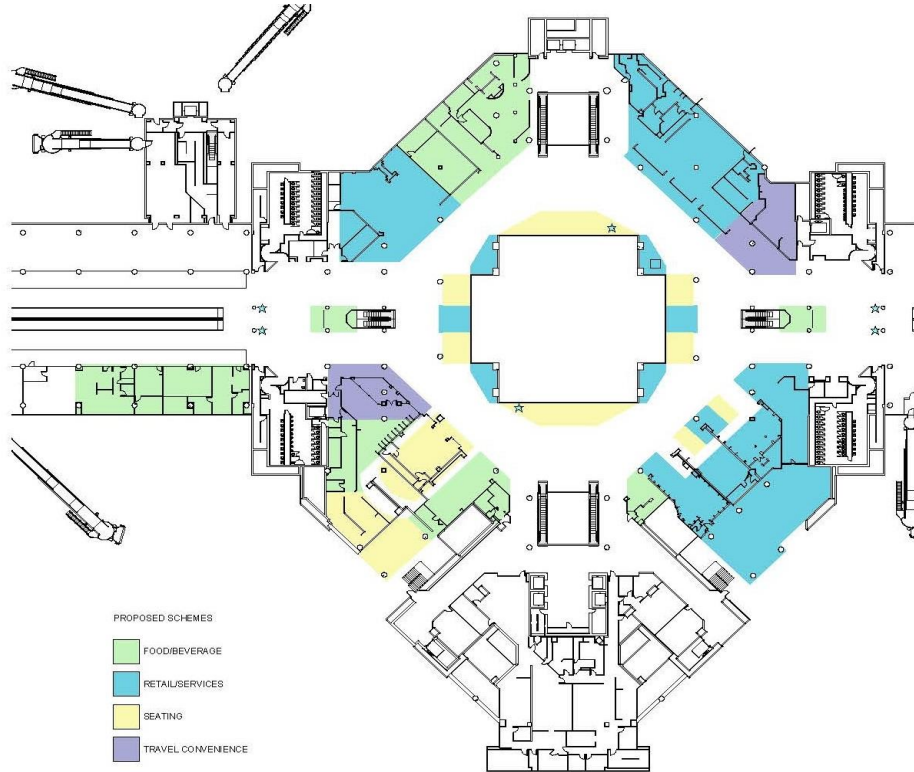


- Improving sightlines
- Supporting operational requirements
- Creating precincts and adjacencies
- Enabling more flexible use of space
- Providing additional incubation pathways for small and local businesses
- Adding seating in the center core
- Ensuring that we have sufficient commercial capacity for our future customer volumes
- Matching the commercial layout to the needs of our customers

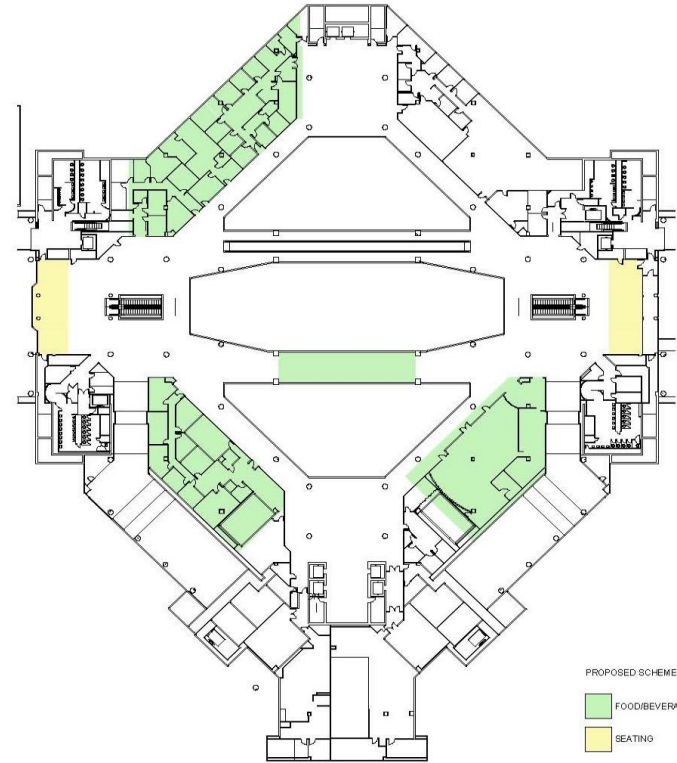
CONCOURSE MASTER PLAN END STATE



CENTER CORE EXAMPLE



CENTERCORE
Concourse Level







Mezzanine Level

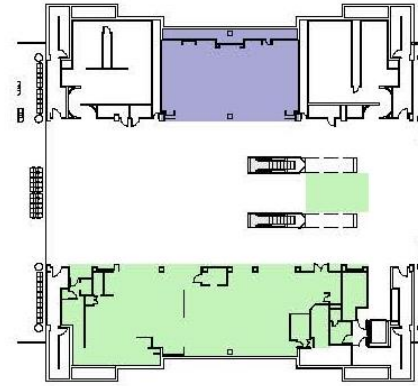
CONCOURSE MASTER PLAN END STATE



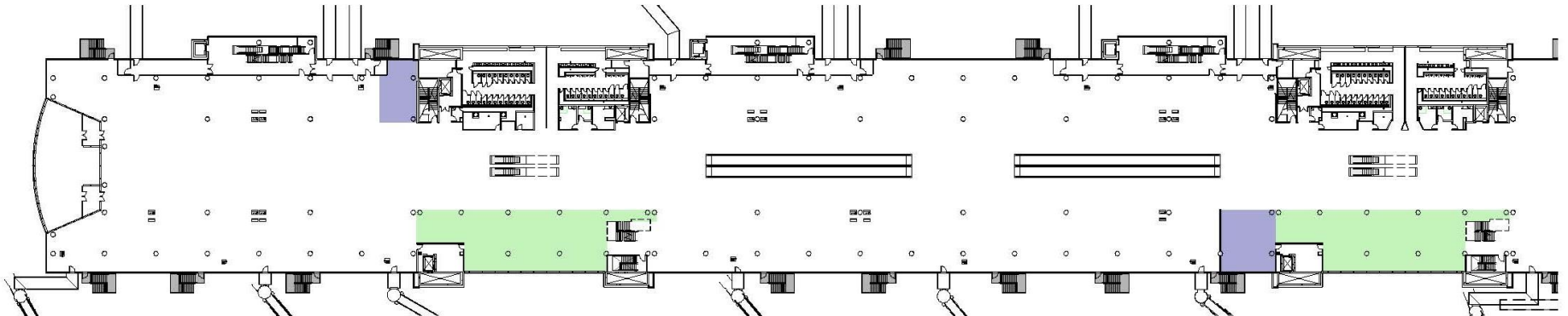
SUBCORE EXAMPLE

Proposed Schemes

-  FOOD & BEVERAGE
-  RETAIL/SERVICES
-  SEATING
-  TRAVEL CONVENIENCE



WEST SUBCORE



PREMIUM VALUE CONCESSIONS OVERVIEW



PREMIUM VALUE CONCESSION (PVC) OVERVIEW



- Premium Value Concession Program (PVC), started in 2012 and ended in 2022
- Created to encourage growth in concession revenues, drive contract compliance, and maintain high quality standards by way of awarding top 1/3 concessionaires for each category
- Concessionaires were required to participate and pay 1% of gross revenues to the Joint Marketing Fund, which funded the PVC program
- Concessionaires competed against similar concession concepts

- Program was managed through a third-party administrator
- Scoring
 - Program measurements: Sales, customer service, contract compliance
 - Three-year scoring period
 - Top 1/3 of minor merchandise category earn new contract agreement
- PVC Program has resulted in 49 contracts

CONTRACTS FOR APPROVAL



- Contract No. 202368744 Concessions Planning International Consulting Services
- Contract No. 202368416 Executive Shine, Inc. – Concourse A, B & C Center Cores, Executive Shine
- Contract No. 202369789 DIA Juice, LLC – Concourse C West Subcore 1, Jamba Juice
- Contract No. 202369788 InMotion DEN-B, LLC – Concourse B Center Core, InMotion
- Contract No. 202369785 Genesco Inc. – Concourse B Center Core, Johnston & Murphy
- Contract No. 202369886 Lounge 5280, LLC – Concourse C Center Core, Chick-fil-A
- Contract No. 202369781 Stellar Partners, Inc. Concourse C Center Core, Out West
- Contract No. 202369876 Skyport Holdings, LLC – Concourse C West Subcore 1, Dunkin Donuts
- Contract No. 202369804 Skyport Holdings, LLC – Concourse A West Subcore 1, Pour La France

CONTRACTS FOR APPROVAL CONT.



- Contract No. 202369816 Skyport Holdings, LLC – Concourse C East Subcore 1, Woody Creek Bakery
- Contract No. 202369884 ProServe Corporation – Concourse A Northwest Center Core, High Land Mercantile
- Contract No. 202369787 ProServe Corporation – Concourse A Southeast Center Core, Bodega DEN
- Contract No. 202369790 ProServe Corporation – Concourse B Northwest Center Core, High Land Mercantile
- Contract No. 202369777 ProServe Corporation – Concourse C Southeast Center Core, Bodega DEN
- Contract No. 202369779 Trugoy, Inc. – Concourse B Center Core, Starbucks
- Contract No. 202369049 Host-CTI DEN F&B II, LLC – Concourse B East Subcore 2, Cru Wine Bar
- Contract No. 202369812 Mission Yogurt, Inc. – Concourse B East Subcore 2, Einstein Bros Bagels

CONCESSIONS PLANNING INTERNATIONAL OVERVIEW & CONTRACT FOR APPROVAL



- Concessions Planning International (CPI) engagement began in September 2018, sub-contracting under a DEN design and build contract to support DEN Concessions in developing a commercial/concession management strategy.
- Master planning process developed pre-Covid with CPI consulting expertise is delivering returns in both customer experience and commercial income.
- Continue CPI's work to promote DEN's concessions master plan on the national and international stage, building a robust Request For Proposal program that embraces DEN's Vision 100.
- Requesting procurement for continuity of services to ensure the team's agility and program relevance in a fast-changing environment.

- Executive Order 8 - Providing continuity of service
- Expenditure contract value \$979,000
- Three-year term

APPENDIX PREMIUM VALUE CONCESSION CONTRACTS



- Executive Shine, Inc. will provide shoeshine services for 5 years.
- Executive Shine, Inc. will design and re-build five shoeshine concepts in their existing locations.
- There are five locations across three concourses totaling 360 square feet:
 - Concourse A, east center core 64 square feet
 - Concourse A, west center core 64 square feet
 - Concourse B, east center core 84 square feet
 - Concourse B, west center core 84 square feet
 - Concourse C, east center core 64 square feet
- Executive Shine, Inc. is a self-performing ACDBE at a 100% Ownership.
- Executive Shine, Inc. is committed to 100% ACDBE goal and DSBO has determined that M/WBE Goals are not applicable to this contract.
- \$24,000 (MAG) per year rent to the airport or;
 - 12% of Gross Receipts

- DIA Juice, LLC, will provide food and beverage services for 7 years.
- This location is a Food & Beverage concession totaling 639.1 square feet located on the westside of the C Concourse, Subcore 1, in their current Jamba Juice space.
 - DIA Juice will design, build, and manage a Jamba Juice in this location.
- DIA Juice, LLC, is a joint venture between Skyport Hospitality, LLC (60% Ownership), JAF Concessions, LLC (40% ACDBE Ownership).
- DIA Juice, LLC has committed to a 40% ACDBE and 25% M/WBE goal
- \$272,213.00 (MAG) per year rent to the airport or;
 - 16% of gross receipts per year for Food & Beverage sales

- InMotion DEN-B, LLC will provide retail services for 5 years.
- This location is a Retail concession totaling to 382.5 square feet located on the northwest quad of the B Concourse, Center Core, in their current InMotion space.
 - InMotion DEN-B, LLC., will design, build, and manage an InMotion in this location.
- InMotion DEN-B, LLC is a joint venture between The Marshall Retail Group, LLC (72% Ownership), Pastorelle Marketing Group (28% ACDBE Ownership).
- InMotion DEN-B, LLC has committed to a 27.3% ACDBE and 25% M/WBE goal
- \$263,000.00 (MAG) per year rent to the airport or;
 - 11% of gross receipts per year for Apple Retail sales
 - 16.5% of gross receipts per year for non-Apple Retail sales

- Genesco, Inc., will provide retail services for 7 years.
- This location is a Retail concession totaling 1,314 square feet located on the southeast quad of the B Concourse, Center Core, in the current Topo Designs space.
 - Genesco Inc., will design, build, and manage a Johnston & Murphy concept in this location.
- Genesco, Inc. Joint Venture #12, is a joint venture between Genesco Inc. (72% Ownership) and Corliss Stone-Littles, LLC (28% ACDBE Ownership).
- Genesco, Inc., has committed to a 27.3% ACDBE and 25% M/WBE goal
- \$240,000.00 (MAG) per year rent to the airport or;
 - 15.5% of gross receipts per year for Retail sales

- Lounge 5280, LLC, will provide food and beverage services for 7 years.
- This location is a Food & Beverage concession totaling 2,118.9 square feet on the southeast quad of the C Concourse, Center Core, in the current Peak News location.
 - Lounge 5280, LLC will design, build, and manage a Chick-fil-A concept in this location.
- Lounge 5280, LLC is a joint venture between Dennis Deslongchamp (60% Ownership), Airport Hospitality Services, LLC (40% ACDBE Ownership).
- Lounge 5280, LLC has committed to a 30.8% ACDBE and 25% M/WBE goal
- \$894,413.00 (MAG) per year rent to the airport or;
 - 16% of gross receipts per year for Food & Beverage sales

- Stellar Partners, Inc. will provide retail services for 7 years.
- This location is Retail concession totaling 1,289.6 square feet located on the southeast quad of C Concourse, Center Core, in the current Body Shop space.
 - Stellar Partners, Inc. will design, build and manage an Out West in this location.
- Stellar DOC1 DCGG DEN, LLC. is a joint venture between Stellar Partners, Inc. (72.7% Ownership), DCGG Garrett, LLC, (13.65% ACDBE Ownership) and Doc 1 Solutions (13.65% ACDBE Ownership).
- Stellar Partners, Inc. has committed to a 27.3% ACDBE and 25% M/WBE goal
- \$290,000.00 (MAG) per year rent to the airport or;
 - 15.5 % of gross receipts per year for Retail sales

- Skyport Holdings, LLC will provide food and beverage services for 7 years.
- This location is a Food & Beverage concession totaling 603 square feet located on the west side of the C Concourse, Subcore 1, in their current Caribou Coffee space.
 - Skyport Holdings, LLC will design, build, and manage a Dunkin Donuts in this location.
- Skyport Holdings, LLC is a joint venture between Skyport Hospitality, LLC (50% Ownership), Concessions of a Gladman, LLC (50% ACDBE Ownership).
- Skyport Holdings, LLC has committed to a 30.8% ACDBE and 25% M/WBE goal
- \$233,325.00 (MAG) per year rent to the airport or;
 - 16% of gross receipts per year for Food & Beverage sales

- Skyport Holdings, LLC will provide food and beverage services for 10 years.
- This location is a Food & Beverage concession totaling 4,345.4 square feet located on the west side of the A Concourse, Subcore 1, in the current Quiznos/Blue Sky Bar/Lavazza space.
 - Skyport Holdings, LLC, will design, build, and manage a Pour La France in this location.
- Skyport Holdings, LLC is a joint venture between Skyport Hospitality, LLC (50% Ownership), Concessions of a Gladman, LLC (50% ACDBE Ownership).
- Skyport Holdings, LLC has committed to a 30.8% ACDBE and 25% M/WBE goal
- \$1,260,423.00 (MAG) per year rent to the airport or;
 - 16% of gross receipts per year for Food & Beverage sales
 - 18% of gross receipts per year for Alcohol sales

- Skyport Holdings, LLC will provide food and beverage services for 7 years.
- This location is a Food & Beverage concession totaling 1,586 square feet located on the east side of the C Concourse, Subcore 1, in their current Woody Creek Bakery space.
 - Skyport Holdings, LLC, will design, build, and manage a Woody Creek Bakery in this location.
- Skyport Holdings, LLC is a joint venture between Skyport Hospitality, LLC (50% Ownership), Concessions of a Gladman, LLC (50% ACDBE Ownership).
- Skyport Holdings, LLC has committed to a 30.8% ACDBE and 25% M/WBE goal
- \$492,575.00 (MAG) per year rent to the airport or;
 - 16% of gross receipts per year for Food & Beverage sales

- ProServe Corporation will provide travel convenience services for 7 years.
- This location is a travel convenience concession totaling 936.3 square feet located on the northwest side of the A Concourse Center Core, in the mailbox, ATM, and DPD space.
 - ProServe Corporation, will design, build, and manage a new travel convenience concept, High Land Mercantile.
- ProServe Corporation is a self-performing ACDBE at a 100% Ownership.
- ProServe Corporation has committed to a 27.3% ACDBE and 25% MWBE goal.
- \$237,660.00 (MAG) per year rent to the airport or;
 - 17% of gross receipts per year for Retail sales

- ProServe Corporation will provide travel convenience services for 7 years.
- This location is a travel convenience concession totaling 1,057.2 square feet located on the southeast side of the A Concourse, Center Core, in the current Peak News location.
 - ProServe Corporation, will design, build, and manage a new travel convenience concept, Bodega DEN.
- ProServe Corporation is a self-performing ACDBE at a 100% Ownership.
- ProServe Corporation has committed to a 27.3% ACDBE and 25% MWBE goal.
- \$403,920.00 (MAG) per year rent to the airport or;
 - 17% of gross receipts per year for Retail sales

- ProServe Corporation will provide travel convenience services for 7 years.
- This location is a travel convenience concession totaling 1,393 square feet located on the northwest side of the B Concourse Center Core, in the current Peak News space.
 - ProServe Corporation, will design, build, and manage a new travel convenience concept, High Land Mercantile.
- ProServe Corporation is a self-performing ACDBE at a 100% Ownership.
- ProServe Corporation has committed to a 27.3% ACDBE and 25% MWBE goal.
- \$454,920.00 (MAG) per year rent to the airport or;
 - 17% of gross receipts per year for Retail sales

- ProServe Corporation will provide travel convenience services for 7 years.
- This location is a travel convenience concession totaling 1,347.6 square feet located on the southeast side of the C Concourse, Center Core, in the current Out West space.
 - ProServe Corporation, will design, build, and manage a new travel convenience concept, Bodega DEN.
- ProServe Corporation is a self-performing ACDBE at a 100% Ownership.
- ProServe Corporation has committed to a 27.3% ACDBE and 25% MWBE goal.
- \$399,840.00 (MAG) per year rent to the airport or;
 - 17% of gross receipts per year for Retail sales

- Trugoy, Inc. will provide food and beverage services for 7 years
- This location is a Food & Beverage Specialty Coffee concession totaling 1,011.1 square feet located on the northwest quad of the B Concourse Center Core, in the current Money Exchange and Paramedics Office space.
 - Trugoy, Inc., will design, build, and manage a Starbucks Coffee in this location.
- Trugoy, Inc., is a self-performing ACDBE at a 100% Ownership
- Trugoy, Inc., has committed to a 30.8% ACDBE and 25% M/WBE goal
- \$529,125 (MAG) per year rent to the airport or;
 - 16.5% of gross receipts per year for Food & Beverage sales

- Host-CTI DEN F&B II, LLC., will provide food and beverage services for 7 years.
- This location is a Food & Beverage Wine Bar concession totaling 863 square feet located on the west side of the B Concourse, Subcore 2, in their current Cru Wine Bar space.
 - Host-CTI DEN F&B II, LLC., will design, build, and manage a Cru Wine Bar in this location.
- Host-CTI DEN F&B II, LLC., is a joint venture between Host International, Inc., (67% Ownership) and Civil Technology, Inc., (33% ACDBE Ownership).
- Host-CTI DEN F&B II, LLC., has committed to a 30.8% ACDBE and 25% M/WBE goal
- \$384,554.00 (MAG) per year rent to the airport or;
 - 16% of gross receipts per year for Food & Beverage sales
 - 18% of gross receipts per year for Alcohol sales

- Mission Yogurt, Inc., will provide food and beverage services for 7 years.
- This location is a Food & Beverage Quick Serve Restaurant concession totaling 1,833 square feet located on the West side of the B Concourse, Subcore 2, in their current Sara Lee Sandwich Shoppe space.
 - Mission Yogurt, Inc., will design, build, and manage an Einstein Bros Bagels in this location.
- Mission Yogurt, Inc., is an 100% ownership participation.
- Mission Yogurt, Inc., has committed to a 30.8% ACDBE and 25% M/WBE goal
- \$450,000.00 (MAG) per year rent to the airport or;
 - 16% of gross receipts per year for Food & Beverage sales
 - 18% of gross receipts per year for Alcohol sales

CITY COUNCIL REQUEST



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23-1552	202369884	ProServe Corporation – Concourse A Northwest Center Core, High Land Mercantile
23-1553	202369812	Mission Yogurt, Inc. – Concourse B East Subcore 2, Einstein Bros Bagels
23-1554	202369886	Lounge 5280, LLC – Concourse C Center Core, Chick-fil-A
23-1555	202369788	InMotion DEN-B, LLC – Concourse B Center Core, InMotion
23-1556	202369789	DIA Juice, LLC – Concourse C West Subcore 1, Jamba Juice

THANK YOU!

