# ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team
at MileHighOrdinance@DenverGov.org by **9 a.m. Friday.** Contact the Mayor's Legislative team with questions

**Date of Request:** February 6, 2025

**Please mark one:** ☐ **Bill Request** **or** ☒ **Resolution Request**

**Please mark one: The request directly impacts developments, projects, contracts, resolutions, or bills that involve property and impact within .5 miles of the South Platte River from Denver's northern to southern boundary? (Check map HERE)**

☐ **Yes** ☒ **No**

**1. Type of Request:**

☒ **Contract/Grant Agreement** ☐ **Intergovernmental Agreement (IGA)** ☐ **Rezoning/Text Amendment**

☐ **Dedication/Vacation** ☐ **Appropriation/Supplemental** ☐ **DRMC Change**

☐ **Other:**

**2. Title:**

Approves a concessions agreement with DEN Hospitality Group, LLC d/b/a Starbucks and The Cruise Room for the greater of either a guaranteed rent/Minimum Annual guarantee (MAG) of $1,015,875.00 or percentage rent of gross sales, 16% Food and Beverage and 18% Alcohol and for twelve years to design, build, and manage two Food & Beverage locations on Concourse A, Mezzanine level, south pedestrian bridge at Denver International Airport in Council District 11 (PLANE-202371229).

**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 |
|---|---|
| Name: Pamela Dechant – SVP Concessions | Name: Kevin Forgett, State and Local Legislative Advisor |
| 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:**

Denver International Airport (DEN) conducted a competitive Request for Proposal (RFP) selection process for an operator to design, build, and manage two Food & Beverage locations on Concourse A, Mezzanine level, south pedestrian bridge featuring a Specialty Coffee, Full-Service Bar and a Common Seating Area. The term for this opportunity is twelve (12) years, to allow the concessionaire to amortize their capital investment to build out this 3,341.4 square foot location. No funding or capital investment is required by DEN, as the space will be turned over as is. DEN Conducted outreach events on July 13, August 10, and September 14, 2023, totaling 508 number of attendees for all events. After submittal and evaluation of responsive proposals, the Independent Evaluation panel recommended that DEN Hospitality Group, LLC d/b/a Starbucks and The Cruise Room be selected for direct negotiations. This project supports Vision 100's goal of "Growing Our Infrastructure" by adding new concession opportunities to meet the future passenger demands which will enhance the customer experience and increase non-aeronautical revenue.

**6. City Attorney assigned to this request (if applicable):** Daniel Jaynes

**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

**Vendor/Contractor Name (including any dba's):** DEN Hospitality Group, LLC d/b/a Starbucks and The Cruise Room

**Contract control number (legacy and new):** Contract No. PLANE-202371229

**Location:** Denver International Airport

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

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

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

| ***Current Contract Amount (A)*** | ***Additional Funds (B)*** | ***Total Contract Amount (A+B)*** |
|---|---|---|
| Initial MAG: $1,015,875.00.<br>If concession opens for business on or before the required opening date, DEN will waive Year 1 MAG.<br>Beginning Year 2: 85% of Year 1 Total Compensation paid to DEN<br>16% Food & Beverage<br>18% Alcohol | N/A | Initial MAG: $1,015,875.00.<br>If concession opens for business on or before the required opening date, DEN will waive Year 1 MAG.<br>Beginning Year 2: 85% of Year 1 Total Compensation paid to DEN<br>16% Food & Beverage<br>18% Alcohol |

| ***Current Contract Term*** | ***Added Time*** | ***New Ending Date*** |
|---|---|---|
| 12 years | N/A | 12 years |

**Scope of work:**

DEN Hospitality Group, LLC will design, build and manage Starbucks and The Cruise Room on Concourse A, Mezzanine level, south pedestrian bridge. DEN Hospitality Group, LLC has committed to investing a minimum of $3,641,000.00 to design and build this space. To amortize DEN Hospitality Group LLC., capital investment, they will receive a contract term of twelve (12) years. Denver International Airport (DEN) will receive the greater of either a guaranteed rent/Minimum Annual guarantee (MAG) of $1,015,875 or percentage rent of gross sales; 16% Food & Beverage and 18% Alcohol. The terms outlined above are what were submitted by DEN Hospitality Group, LLC as part of their proposal to the Request for Proposal (RFP) and were awarded on that information.

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

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

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*To be completed by Mayor's Legislative Team:*

Resolution/Bill Number: _____ Date Entered: _____

**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):**
30.8% Airport Concessions Disadvantaged Business Enterprise (ACDBE) / 25% M/WBE

**Who are the subcontractors to this contract?** ACBDE partners are JAF Concessions, LLC (20%) and South River Partners, LLC (20%). 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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