



Legislation Text

File #: 23-1707, Version: 1

**Contract Request Template (Contracts; IGAs; Leases)**

**Date Submitted: 11-6-2023**

**Requesting Agency: DEN**  
**Division:**

**Subject Matter Expert Name: Rita Aguilar**  
**Email Address: Rita.Aguilar@flydenver.com**  
**Phone Number:**

**Item Title & Description:**

*(Do not delete the following instructions)*

*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

**A resolution approving a proposed Agreement between the City and County of Denver and Lounge 5280, LLC to design, build, and operate a Chick-Fil-A concession at Denver International Airport.**

Approves a premium value concession contract with Lounge 5280, LLC, operating as Chick-Fil-A, for a minimum annual guarantee of \$894,413 for a term of 7 years to design, build, manage, and lease a Chick-Fil-A on the C concourse of the airport, in Council District 11. 202369886. The last regularly scheduled Council meeting within the 30-day review period is on 12-4-2023. The Committee approved filing this item at its meeting on 11-8-2023.

**Affected Council District(s) or citywide?**

**Council District 11**

**Contract Control Number:**

202369886

**Vendor/Contractor Name (including any "DBA"):**

**Lounge 5280, LLC dba Chick-Fil-A**

**Type and Scope of services to be performed:**

Lounge 5280, LLC will design, build, manage, and lease a Chick-fil-A on Concourse C, Center Core southeast quadrant. Lounge 5280, LLC has committed to investing a minimum of \$1,165,395.00 to design and build this space. To amortize Lounge 5280, LLC's capital investment, they will receive a contract term of 7 years. Denver International Airport (DEN) will receive the greater of either a guaranteed rent/Minimum Annual Guarantee (MAG) of \$894,413.00 or a percentage rent of gross sales at 16%. 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.

**Location (if applicable):**

**WBE/MBE/DBE goals that were applied, if applicable (construction, design, Airport concession contracts):**

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

**Are WBE/MBE/DBE goals met (if applicable)?**

**Is the contract new/a renewal/extension or amendment?**

new

**Was this contractor selected by competitive process or sole source?**

**For New contracts**

**Term of initial contract:**

<i>Current Contract Amount (A)</i>	<i>Additional Funds (B)</i>	<i>Total Contract Amount (A+B)</i>
\$894,413.00 Minimal Annual Guarantee (MAG) or percentage fee of 16%.	N/A	\$894,413.00 Minimal Annual Guarantee (MAG) or percentage fee of 16%.

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
7 years	N/A	7 years

**For Amendments/Renewals Extensions:**

**Is this a change to cost/pricing; length of term; terms unrelated to time or price (List all that apply)?**

***If length changing***

**What was the length of the term of the original contract?**

**What is the length of the extension/renewal?**

**What is the revised total term of the contract?**

***If cost changing***

**What was the original value of the entire contract prior to this proposed change?**

**What is the value of the proposed change?**

**What is the new/revised total value including change?**

***If terms changing***

**Describe the change and the reason for it (i.e. compliance with state law, different way of doing business etc.)**