



The poster features a background image of a large, modern airport terminal with a high, vaulted glass and steel ceiling. On the left side, there is a vertical light blue bar containing three logos: the City of Chicago seal, the Chicago Department of Aviation (CDA) logo, and the Airport Concessions Development Authority (ACDBE) logo. The main text is centered in the upper half, and the 'CONNECT' logo is in the lower right.

CHICAGO DEPARTMENT OF AVIATION  
CONCESSIONS OPEN HOUSE

February 10, 2011

CONNECT 

CHICAGO DEPARTMENT OF AVIATION

City of Chicago  
Richard M. Daley  
Mayor

CHICAGO  
CDA  
DEPARTMENT OF AVIATION  
Rosemarie S. Andolino  
Commissioner

ACDBE  
Airport Concessions Development Authority

## NETWORKING BADGE COLORS

---

- CDA and City of Chicago personnel - **BLUE** badges
- ACDBE certified firms - **PURPLE** badges
- Food & Beverage Concessionaires - **RED** badges
- Specialty Retail Concessionaires - **BROWN** badges
- Services - **ORANGE** badges
- Suppliers - **YELLOW** badges
- Everyone else - **WHITE** badges



Disclaimer – Any and all information contained herein is subject to change without notice

## CDA Concessions Outreach Opportunities

---

### 2010

- January – Concessions Open House at Fountain Blue in DesPlaines
- February – Concessions Open House at Marriott Chicago Midway
- February – International Council of Shopping Centers Midwest Idea Exchange
- May – Concessions Workshop at City Hall
- June – Business Works at Wright College
- August - Concessions Open House at South Shore Cultural Center
- August – Concessions Workshop at City Hall
- October – Pre-proposal meeting at Chicago O'Hare International Airport
- November – AWBC Magazine "Doing Business with Government Agencies" panel
- November – Concessions Workshop at City Hall

### 2011

- February – Concessions Open House at Malcolm X College
- March – Concessions Workshop at City Hall
- Spring – Pre-proposal meetings
- June – Concessions Workshop at City Hall
- Summer – Concessions Open House
- Summer – Pre-proposal meetings
- September – Concessions Workshop at City Hall
- December – Concessions Workshop at City Hall

Disclaimer – Any and all information contained herein is subject to change without notice



## Exhibitors

---

Airport Minority Advisory Council (AMAC)  
City of Chicago Department of Aviation (CDA)  
Chicago Department of Aviation (CDA) Concessions Program  
City of Chicago Department of Business Affairs and Consumer Protection  
City of Chicago Department of Procurement Services  
City of Chicago Office of Compliance  
Women's Business Development Center

### Food & Beverage Master Concessionaires:

- Delaware North
- HMS Host
- MAC-One
- OTG Management
- SSP America
- Westfield

Disclaimer – Any and all information contained herein is subject to change without notice





Richard M. Daley  
Mayor



Rosemarie S. Andolino  
Commissioner



## WELCOME AND INTRODUCTIONS

Cortez Carter  
CDA Managing Deputy  
Commissioner



CHICAGO DEPARTMENT OF AVIATION

## Agenda

- ***Welcome and Introductions***  
Cortez Carter, Managing Deputy Commissioner, Planning and Real Estate
- ***City of Chicago Department of Business Affairs and Consumer Protection***  
Alfredo Camarena, Projects Administrator
- ***Overview of Airport Concessions***  
Andrew Weddig, Vice President, Unison Consulting Inc.
- ***Operating in an Airport Environment***  
Diana Miller, General Manager, Unison Retail Management
- ***Upcoming Bid Opportunities***  
Glen Ryniewski, Assistant Commissioner, CDA Concessions
- ***Airport Concessions Disadvantaged Business Enterprise***  
Cordell McGary, Associate Compliance Officer, City of Chicago Office of Compliance



Disclaimer – Any and all information contained herein is subject to change without notice



Richard M. Daley  
Mayor



Rosemarie S. Andolino  
Commissioner



## BUSINESS AFFAIRS AND CONSUMER PROTECTION

Alfredo Camareno  
Project Administrator



CHICAGO DEPARTMENT OF AVIATION



Richard M. Daley  
Mayor



Rosemarie S. Andolino  
Commissioner



## OVERVIEW OF AIRPORT CONCESSIONS

Andrew Weddig  
Unison Consulting, Inc.



CHICAGO DEPARTMENT OF AVIATION

## Concession Program Goals

---

- Provide High Quality Products and Services
- Provide First-Class Customer Service
- Promote High Quality Facility Designs
- Promote Fair Price/Value Relationship
- Promote “Chicago Character”
- Provide Opportunity for Local Businesses
- Promote Sustainability
- Enhance Image of Airport and City
- Maximize Customer Satisfaction
- Optimize Revenues to the Airport



Disclaimer – Any and all information contained herein is subject to change without notice

## Passengers

---

- In total, over 84 Million passengers traveled through O’Hare and Midway International Airports last year
  - In 2010, 31,260,998 people departed from the domestic terminals of O’Hare International Airport
  - In 2010, 8,746,536 people departed from Midway International Airport
- Our airports provide direct and non-stop service to 230 cities worldwide
  - Just over 50% of the O’Hare departing passengers only connect through Chicago
  - Midway’s concessions are centrally located
  - Both airports provide good opportunities to capture revenue



Disclaimer – Any and all information contained herein is subject to change without notice

## Opportunity for Business

O'Hare International Airport 2010 Concessions Performance (Terminals 1, 2 and 3)					
	Stores	Area (sq. ft.)	Sales (\$000)	Sales/ Enplane	Sales/SF
<b>Food &amp; Beverage</b>	106	82,326	\$209,236	\$6.69	\$2,541
<b>News &amp; Gifts</b>	28	17,039	\$43,584	\$1.39	\$2,558
<b>Specialty Retail</b>	27	15,212	\$30,749	\$0.98	\$2,021
<b>Duty Free</b>	4	3,159	\$16,755	\$4.94* International Enplane Only	\$5,304
<b>Services</b>	6	729	\$797	\$0.03	\$1,093
<b>Total</b>	171	118,465	\$301,121	\$9.63	\$2,542



Disclaimer – Any and all information contained herein is subject to change without notice

## Opportunity for Business

Midway International Airport 2010 Concessions Performance					
	Stores	Area (sq. ft.)	Sales (\$000)	Sales/ Enplane	Sales/SF
<b>Food &amp; Beverage</b>	25	27,986	\$48,609	\$5.56	\$1,737
<b>News &amp; Gifts</b>	7	7,193	\$13,504	\$1.54	\$1,877
<b>Specialty Retail</b>	11	5,501	\$6,894	\$0.79	\$919
<b>Services</b>	2	120	\$75	\$.01	\$625
<b>Total</b>	45	42,800	\$69,082	\$7.90	\$1,614



Disclaimer – Any and all information contained herein is subject to change without notice

## Process to open a new location at the airport

---

- CDA identifies locations available for lease
- CDA determines desired use for location
- CDA generates and issues Request for Proposals (RFPs)
- Respondents prepare and submit proposals
- CDA evaluates responses and selects concessionaire
- Selected concessionaire and CDA finalize the lease
- CDA obtains approval of City Council
- Concessionaire submits construction plans for review and approval
- Concessionaire completes construction and opens for business



Disclaimer – Any and all information contained herein is subject to change without notice



Richard M. Daley  
Mayor



## OPERATING IN AN AIRPORT ENVIRONMENT

Diana Miller  
Unison Retail Management



CHICAGO DEPARTMENT OF AVIATION

## Operating at the Airport

---

- Hours of Operation
- Badging and security
- Employee parking and public transportation
- Merchandise delivery and storage



Disclaimer – Any and all information contained herein is subject to change without notice

## Typical Business Terms

---

- Term: 5 – 10 years
- Rent and Fees
  - Base Rent: ORD: \$47.75 psf; MDW: \$15.00 psf
  - License Fee:
    - Proposed Percentage of Sales
    - Proposed Minimum Annual Guarantee (MAG)
  - Marketing Fee: 0.5% of Sales
  - Leasehold Tax
  - Utilities
- Security Deposit: 6 Months MAG
- Minimum Investment
  - \$275 psf for In-Line Stores
  - \$40,000 per Kiosk
- Value Pricing



Disclaimer – Any and all information contained herein is subject to change without notice

## Rent and Fees

---

### Base Rent

O'Hare \$47.75/sq. ft.

Midway \$15/sq. ft.

Escalates 3% annually

- Usually this is the SMALLER portion of the amount paid to the City
- Similar to a Common Area Maintenance (CAM) charge
- Not subject to change or negotiation



Disclaimer – Any and all information contained herein is subject to change without notice

## Rent and Fees

---

### Minimum Annual Guarantee (MAG) vs. Percentage Rent Example:

Concessionaire proposes to pay the greater of \$100,000 (MAG) or 15% of sales.

If annual sales are \$800,000.

$\$800,000 * .15 = \$120,000$

Concessionaire pays \$120,000

If annual sales are \$500,000

$\$500,000 * .15 = \$75,000$

Concessionaire pays \$100,000



Disclaimer – Any and all information contained herein is subject to change without notice



Richard M. Daley  
Mayor



## UPCOMING BID OPPORTUNITIES

Glen Ryniewski  
CDA Concessions



CHICAGO DEPARTMENT OF AVIATION

### 2011 Requests for Proposals (RFPs)

---

- 1<sup>st</sup> Quarter
  - ATMs, Foreign Currency Exchange and Banking at Midway and O'Hare
  - Food & Beverage at Midway
- 2<sup>nd</sup> Quarter
  - Advertising at Midway and O'Hare
- 3<sup>rd</sup> Quarter
  - Food & Beverage at O'Hare

Note: Number of locations, uses and timing are subject to change.



Disclaimer – Any and all information contained herein is subject to change without notice

## Merchandising Concept Descriptions

- **Advertising:** Static, interactive, digital, sponsorship and display.
- **Automatic Teller Machines:** ATM services to include cash withdrawals, deposits, account/balance inquiries, fund transfers, credit card advances and other transactions as permitted by the governing network regulations.
- **Food Court:** Multiple food concepts that may include quick service food, coffee, and liquor bar. May include a limited amount of specialty retail. Food court common area completed by CDA.
- **Food & Beverage:** May include single or multiple locations, sit-down or fast food. Liquor service may be included.
- **Foreign Currency Exchange, Banking and Financial Services:** Foreign currency exchange services and full service banking to include all services provided in typical banks.
- **Snack:** Snack items such as popcorn, ice cream, pretzels.
- **Wine Bar & Food:** Sit-down wine bar offering food.



Disclaimer – Any and all information contained herein is subject to change without notice

## Concessions RFPs

RFP #	Merchandising Concept	Issue Date	Description
MDW- 1	Automatic Teller Machines (ATMs)	February 2011	Two packages of 6 ATMs each, various locations throughout the airport.
ORD - 1	Automatic Teller Machines (ATMs)	February 2011	Two packages of 13 ATMs each with locations in the domestic and international terminals of the airport.
MDW & ORD – 1	Foreign Currency Exchange, Banking and Financial Services	February 2011	ORD: Three in-line locations totaling approximately 1,900 s.f. and three kiosk locations totaling approximately 300 s.f. in Terminals 1, 2, 3 and 5. MDW: One in-line location.
MDW- 2	Food & Beverage	March, 2011	One in-line space in concessions triangle, approximately 817 s.f.
MDW- 2	Food & Beverage	March, 2011	One in- line space in concessions triangle, approximately 1,260 s.f.
MDW- 2	Food & Beverage	March, 2011	One in- line space in concessions triangle, approximately 613 s.f.
MDW- 2	Food & Beverage	March, 2011	One in- line space in concessions triangle, approximately 600 s.f.
MDW- 2	Food & Beverage	March, 2011	One in- line space in concessions triangle, approximately 771 s.f.
MDW- 2	Snacks	March, 2011	One in- line space in concessions triangle, approximately 508 s.f.
MDW- 2	Food & Beverage	March, 2011	One in- line space in concessions triangle, approximately 915 s.f.
MDW- 2	Food & Beverage	March, 2011	One in- line space in concessions triangle, approximately 817 s.f.

\* Respondents can submit proposals for one or multiple Merchandising Concepts for each RFP



Disclaimer – Any and all information contained herein is subject to change without notice

## Concessions RFPs

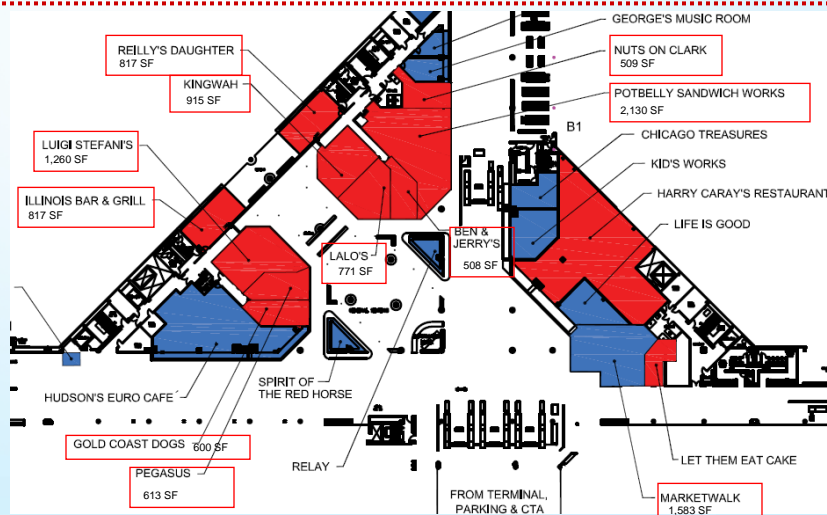
RFP #	Merchandising Concept	Issue Date	Description
MDW- 2	Food & Beverage	March, 2011	One in- line space in concessions triangle, approximately 2,130 s.f.
MDW- 2	Snacks	March, 2011	One in- line space in concessions triangle, approximately 509 s.f.
MDW- 2	Snacks	March, 2011	One in- line space in Concourse A, approximately 781 s.f.
MDW- 2	Wine Bar & Food	March, 2011	One in- line space in concessions triangle, approximately 1,583 s.f.
MDW- 2	Food Court	March, 2011	Food court in Concourse A, space to be developed for food & beverage concepts including fast food, coffee, and liquor bar, approximately 7,000 s.f. May include specialty retail.
MDW & ORD	Advertising	April, 2011	Numerous locations throughout both airports.
ORD - 2	Food & Beverage	3 <sup>rd</sup> Quarter 2011	Numerous food & beverage locations; details to be determined.

\* Respondents can submit proposals for one or multiple Merchandising Concepts for each RFP



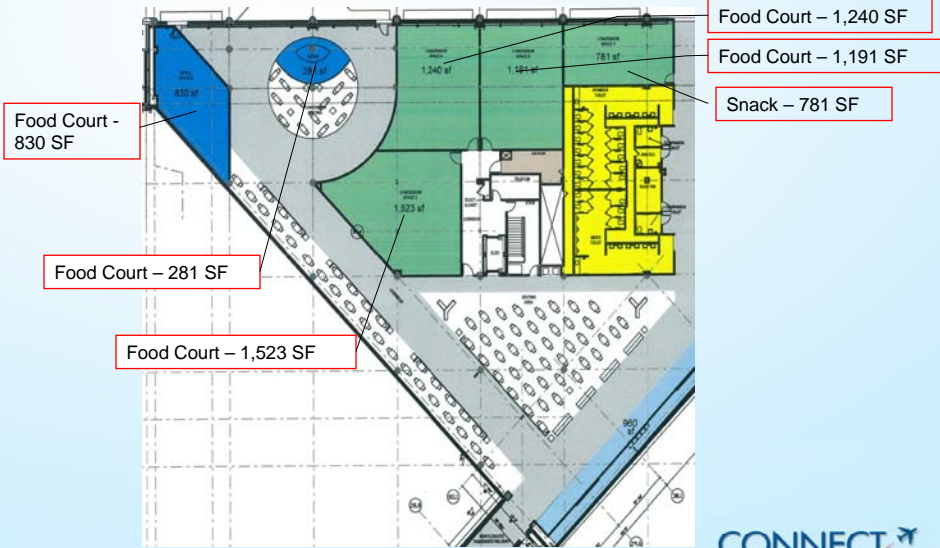
Disclaimer – Any and all information contained herein is subject to change without notice

## Midway Site Plan – Triangle Food Court



Disclaimer – Any and all information contained herein is subject to change without notice

## Midway Site Plan – Concourse A Food Court



Disclaimer – Any and all information contained herein is subject to change without notice



Richard M. Daley  
Mayor



Rosemarie S. Andolino  
Commissioner



## AIRPORT CONCESSIONS DISADVANTAGED BUSINESS ENTERPRISE

Cordell McGary  
Office of Compliance



CHICAGO DEPARTMENT OF AVIATION

## What is ACDBE?

---

- Airport Concessions Disadvantaged Business Enterprise (ACDBE)
- Concessions program at the Airport is subject to federal regulations governing ACDBEs
- ACDBE goal is established for each Request for Proposals
- Can be fulfilled by:
  - direct ownership
  - joint venture partnership with ACDBEs
  - purchase of goods and services from ACDBEs



Disclaimer – Any and all information contained herein is subject to change without notice

## ACDBE Certification

---

- [www.cityofchicago.org/compliance](http://www.cityofchicago.org/compliance)
- Certification and Compliance/Supplier Diversity
- MBE/WBE/DBE/BEPD Certification



Disclaimer – Any and all information contained herein is subject to change without notice

## Find an ACDBE Certified Business

---

- [www.dot.state.il.us/ucp/ucp.html](http://www.dot.state.il.us/ucp/ucp.html)

OR

- [www.cityofchicago.org/compliance](http://www.cityofchicago.org/compliance)
- Certification and Compliance/Supplier Diversity
- MWDBE Directory



Disclaimer – Any and all information contained herein is subject to change without notice



Richard M. Daley  
Mayor



## CONCLUSION

Cortez Carter  
CDA Managing Deputy  
Commissioner



CHICAGO DEPARTMENT OF AVIATION

Visit our Website - [www.FlyChicago.com](http://www.FlyChicago.com)

---

Sign up for CDA Web Alerts and be notified of:

- Bid packages advertisements
- Pre-Bid Conferences
- Upcoming Concessionaire/Contractor Open Houses and other events



Disclaimer – Any and all information contained herein is subject to change without notice

## Resources

---

Airport Minority Advisory Council: [www.amac-org.com](http://www.amac-org.com)

Airport Revenue News: [www.airportrevenue.com](http://www.airportrevenue.com)

Airport Council International: [www.aci-na.org](http://www.aci-na.org)

City of Chicago: [www.cityofchicago.org](http://www.cityofchicago.org)

Chicago Department of Aviation: [www.flychicago.com](http://www.flychicago.com)

*Attendee roster and this presentation will be posted  
on [www.flychicago.com](http://www.flychicago.com) website next week.*



Disclaimer – Any and all information contained herein is subject to change without notice

## Networking Badge Colors

---

CDA and City of Chicago personnel - **BLUE** badges

ACDBE certified firms - **PURPLE** badges

Food & Beverage Concessionaires - **RED** badges

Specialty Retail Concessionaires - **BROWN** badges

Services - **ORANGE** badges

Suppliers - **YELLOW** badges

Everyone else - **WHITE** badges



Disclaimer – Any and all information contained herein is subject to change without notice

## Conclusion

---

**Thank you for joining us today!**

***Attendee roster and presentation materials  
will be posted on [www.flychicago.com](http://www.flychicago.com)***



Disclaimer – Any and all information contained herein is subject to change without notice