

KCI New Terminal Concessions Update

Business Session / September 16th 2021



Why is the Concession Program Important?

- ▶ Airport concessions advance local brands and create local jobs
- ▶ It's the concessions that make the airport experience truly feel like Kansas City
- ▶ Concession Program will make an important statement by representing the best of the City and the region in brand, product and design
- ▶ National brands will be encouraged to make their locations unique through design and use of locally produced merchandise and ingredients, as well as local partners and operators



Concessions Program Vision

A CONCESSION PROGRAM THAT IS **CUSTOMER-CENTRIC**,
PROVIDING A **SENSE OF PLACE**, WHICH ENGAGES
USEFUL TECHNOLOGY AND INTEGRATES A **TRUE SPIRIT**
OF KANSAS CITY.

Goals of the Concessions Program

1. Opportunities for real, local participation through a variety of means; and
2. No limits on how local operators participate in the Concession Program; and
3. Competition between concession locations; and
4. Prices for concession products must be reasonable; and
5. The Concession Program should be regionally inspired; and
6. The highest levels of customer service must be offered; and
7. The Concession Program should make use of cutting edge, useful technology; and
8. The Concession Program should be unique.

Evaluation Criteria

Selection Evaluation Criteria		
Experience	ACDBE (pass/fail)	Sense of Place
Fulfillment of Vision and Goals	Pricing	Sustainability & Accessibility
Use and conversion of Creative Space	Management and Operations Plan	Program Marketing Plan
Location planning	Design	Financial Proposal

Concessions Outreach

February 2019 - National Outreach

Attended Airport Experience Conference (over 3 days) and meet with 28 companies privately to discuss the overall upcoming concession program

July 2019 - Local Outreach

Hosted 11 local outreach sessions with 212 members of the community attending to discuss the opportunity, encourage ACDBE certification, and review ways local participants be part of the concession program

January 2021 - Virtual Showcase

Hosted a two-day on-line symposium to bring together local & national participants



- July 16 – Noon – Guadalupe Center, 1015 Avenida Cesar E Chavez, Kansas City, MO 64108
- July 16 – 6 pm – Southeast Community Center, 4201 E. 63rd Street, Kansas City, MO 64130
- July 17 – 6 pm – Kansas City North Community Center, 3930 NE Antioch Road, Kansas City, MO, 64117
- July 23 – Noon – Kansas City, KS Public Library, 625 Minnesota, Kansas City, KS 66101
- July 23 – 6 pm – Blue Springs Fieldhouse, 425 NE Mock Ave., Blue Springs, MO 64014
- July 24 – 6 pm – Roger T. Sermon Community Center, 201 N. Dodgion Ave, Independence, MO 64050
- July 25 – 12 pm – Samuel U. Rodgers Health Center, 825 Euclid Ave, Kansas City MO 64124
- July 25 – 6 pm – Liberty Community Center, 160 S. Withers Rd, Liberty, MO 64068
- July 30 – Noon – Matt Ross Community Center, 8101 Marty Street, Overland Park, KS 66204
- July 30 – 6 pm – Line Creek Community Center, 5940 Waukomis Drive, Kansas City, MO 64151
- July 31 – 6 pm – KCPD North Patrol, 11000 NW Prairie View Road, Kansas City, MO 64153

ACDBE and MBE / WBE Refresher

- ▶ The ACDBE (Airport Concessions Disadvantaged Business Enterprise) program is a federally mandated program to create opportunities for historically under-represented businesses. MBE/WBE certification does not apply to concession operations. However, MBE/WBE goals may be used on the design and construction of the stores and shops in the new terminal.
- ▶ Encouraging ACDBE certification was a priority at all community outreach events
- ▶ Disparity study set ACDBE goal at 16%

RFP and Addenda

- ▶ Three presentations of the RFP and process to City Council
 - ▶ April 11th, 2019
 - ▶ Council resolution #190685 on September 11th, 2019
 - ▶ February 19th, 2020
 - ▶ January 14th, 2021
- ▶ RFP was issued February 8th, 2021
- ▶ A virtual non-mandatory pre-proposal meeting was held on February 25th, 2021
- ▶ KCAD received 157 requests for the RFP
- ▶ KCAD received 218 questions regarding the RFP and issued 4 addendums with answers to these questions. The question deadline was March 18th, 2021
- ▶ Technical proposals were due June 3rd, 2021
- ▶ Financial proposals were due June 24th, 2021

Details of the RFP

- ▶ Single Offeror to develop, sublease, operate and manage the entire Concession Program (which includes Retail and Food & Beverage - approximately 80,000 sf)
- ▶ City will not accept any Offeror's proposal that does not incorporate the entire Concession Program
- ▶ City has no preferred particular management methodology (Master Concessionaire, Developer, Operator/Manager, Fee Manager or combination). Offeror can propose a concession program based upon what they do best
- ▶ ACDBE = 16% (Concessions)
- ▶ MBE/WBE = 15% MBE and 10% WBE (Design & Construction)
- ▶ Section 27 - Closed Records: All proposals, documents, and meetings relating to the concessions contract may remain closed records or meetings under the Missouri Sunshine Act until the City executes a contract or rejects all proposals

RFP Respondents

- ▶ Delaware North Companies, Inc.
- ▶ Greater Kansas City Restaurant & Retail Group, LLC
- ▶ MERA KC
- ▶ PLTR-SSP @ KCI, LLC
- ▶ Vantage Airport Group US, ltd

Selection Committee

Councilman Dan Fowler - Mayoral appointee, Second District, In-District

Wes Minder - City Manager appointee

Nia Richardson - Small Business representative

Pat Klein - Aviation Director

Kyle O'Neal - Airline representative (Southwest Airlines)

- ▶ Selection Committee met five times between May 24th - July 16th, 2021
- ▶ Selection Committee hosted presentations from all proposers - July 20th, 2021
- ▶ Selection Committee met three times between July 20th - July 28th, 2021
- ▶ On July 28th, 2021 the Selection Committee unanimously recommended **Vantage Airport Group**

Highlights of Selected Partner

- ▶ The concession program's standard ACDBE participation was set at 16%. Vantage has proposed to achieve at least 59% (projected to be 70% by terminal opening) which includes 11 firms, of which 6 are local. (ACDBE, Sense of Place)
- ▶ Vantage has proposed significant, direct local participation with over 80% of the proposed eating and shopping experiences being local. Those local options include 23 shops and restaurants. (Fulfillment of Vision and Goals, Sense of Place, Sustainability & Accessibility, ACDBE)
- ▶ Vantage proposes to provide the airport an 80% - 84% of total gross receipts or \$1.75 minimum annual guarantee per enplaned passenger, whichever is greater. (Financial Proposal, Pricing)
- ▶ Vantage has presented a plan that created neighborhood and historic connections to Kansas City, such as 18th & Vine, Union Station & City Market, with additional partnerships with community partners. (Sense of Place, Program Marketing Plan, Design, Location Planning)

Highlights of Selected Partner

- ▶ Vantage has experience in over 31 airports, most notably recent developments at New York's LaGuardia Airport and Chicago's Midway Airport. (Experience)
- ▶ At Chicago Midway, Vantage achieved 56% ACDBE participation. (ACDBE, Experience)
- ▶ Vantage has agreed to achieve at least 15% MBE and 10% WBE participation in design and construction of the concession spaces through the participation of 17 firms. (ACDBE, Fulfillment of Vision and Goals)
- ▶ Vantage intends to work with the locally based The Whole Person to ensure that the concession spaces are accessible to all visitors to the terminal. In addition, Vantage has presented a sustainability plan that includes sourcing local food, eliminating waste and material recycling. (Sustainability & Accessibility, Design)

Highlights of Selected Partner

- ▶ Vantage has presented a program that allows for competition between locations as well as programming to support locations that are negatively impacted by events unrelated to the concession location, such as airline service changes. (Management and Operations Plan)
- ▶ Vantage is proposing to open 100% of the concessions space on the opening of the terminal, therefore, no need for design of creative space. (Conversion of Creative Space, Design, Management and Operations Plan)
- ▶ Vantage plans to creatively involve local institutions in creating events at KCI. (Sense of Place, Program Marketing Plan, Sustainability & Accessibility, Experience, Fulfillment of Vision and Goals)
- ▶ Vantage has proposed to utilize order by mobile ordering and delivery and Amazon Go technology. (Sustainability & Accessibility, Fulfillment of Vision and Goals)

Highlights of Selected Partner

- ▶ Vantage has extensive customer service programming that will be delivered to future tenants and employees through training, incentives and mentoring. (Fulfillment of Vision and Goals, Management and Operations Plan, Design, Program Marketing)
- ▶ Vantage proposed to establish a capital fund of \$20 million for small business operators. In addition, Vantage and its Joint Venture Partners are committed to supporting tenants through business mentoring services. (Financial Proposal, Management and Operations Plan)
- ▶ Vantage's capital investment in concessions build out is projected to be \$65 million. (Financial Proposal, Location Planning, Design)
- ▶ Vantage has agreed to a program of street pricing +15% which is in line with other aviation markets. In addition, Vantage commits to at least a \$15.00 starting wage plus benefits for all associates. (Pricing, Management and Operations Plan, Sustainability & Accessibility)

Next Steps to Terminal Opening

