

Port of Seattle Seattle-Tacoma International Airport Airport Dining and Retail Competitive Evaluation Process (CEP) Package/Single Unit #X



SEATTLE-TACOMA INTERNATIONAL AIRPORT

About this CEP

This process is one of two ways to compete for leasing opportunities at Sea-Tac Airport. While it is tailored to the resource capabilities of small and/or minority-owned businesses, any company – large or small – may compete for an opportunity via this process. However, proposers must understand that the CEP is different than a traditional public sector Request for Proposals (“RFP”) process, and therefore must be prepared to accept the implications of the unique nature of the process. The Port of Seattle has engaged an aviation-industry recognized firm, AirProjects, Inc., to evaluate submittals and make recommendations to the Port based on specific criteria. The Port will convene an evaluation group to validate the recommendation provided and ensure it meets the criteria for the opportunity.

The CEP is designed to be quicker and less prescriptive and costly for respondents. In the interest of protecting the integrity of the process from competitive intrusion, neither process provides unfettered transparency in all stages of the process. However, at the conclusion of evaluations, all respondents will receive a submittal summary outlining the rationale for the selection, regardless of the process. Once a solicitation process is concluded with an executed Lease and Concession Agreement (an “Agreement”), other documents may become available via public disclosure request. All decisions under the CEP process which lead to executed agreements are final.

Information provided about leasing opportunities, such as estimated enplanement traffic and historical sales/enplanement data is the same in the CEP as in the RFP process. Minimum qualifications that must be met to be considered are also the same. However, the CEP affords an opportunity to contact staff at AirProjects with questions regarding the opportunity or the process prior to the deadline outlined in this CEP. Questions need to be submitted in writing to AirProjects and a written response will be provided to all potential respondents who have registered on the Port’s leasing website. Withdrawal of submittals is allowed at any time; however, changes or additions may not be made to documents provided to AirProjects once they are received.

This particular opportunity includes INSERT NUMBER (retail) (restaurant) units currently available for lease as “Insert Package Number.”

Airport Overview

Seattle-Tacoma International Airport (“Sea-Tac” or “Airport”) is the primary air transportation hub in Washington State and the northwestern United States. Sea-Tac is located 12 miles south of downtown Seattle and 20 miles north of Tacoma. Sea-Tac is the only airport within the metropolitan area that

offers scheduled commercial airline service. The Port of Seattle (the “Port”) owns and operates Sea-Tac. The Port is governed by a five-member Commission elected at-large by the citizens of King County, Washington.

The Airport and its passenger terminals consists of the Main Terminal, Concourses A, B, C, D, North and South Satellites, the parking garage, and the Rental Car Facility. Currently, the Airport has more than 75 gates and is served by 28 airlines with both domestic and international destinations. A list of the passenger airlines operating at the Airport is included in **Exhibit I**. Over the next few years, the Airport has plans for some significant expansion of the facilities. The North Satellite, used exclusively by Alaska Airlines, will undergo a complete renovation and expansion that will add 8 gates to the existing 12 gates. Square footage for food service and retail in the North Satellite will grow from 19,600 square feet to an estimated 46,000 square feet. Completion of this project is slated for the 2019-2020 timeframe. The Airport also plans to add a new International Arrivals Facility to replace the undersized and aged facility in the South Satellite by 2019.

The dining and retail program at Sea-Tac has received several awards, including top concession program awards from Airports Council International North America (ACI-NA, 2007) and Airport Revenue News (ARN, 2009). In 2009, ACI-NA also chose Sea-Tac’s dining and retail program as the “Best Green Concession Operation” in a North American airport of any size.

Sea-Tac – as a gateway to the Puget Sound region – is in an enviable position. Sea-Tac has experienced steady passenger traffic growth over the last few decades and is poised to continue this trend. In order to fulfill its goals and keep pace with customer expectations, Sea-Tac is expanding its dining and retail program and creating opportunities for numerous operators, including large and small, local and national, along with disadvantaged and minority-owned business enterprises.

Airport Customer Overview

The number of passengers who travel through Sea-Tac follows fairly predictable patterns. The greatest number of travelers visits Sea-Tac during the months of June, July and August, as well as surrounding school breaks and holidays. Busy summer days may attract as many as 45,000-50,000 boarding passengers (“Enplanements”) with a total of more than 100,000 people arriving and departing. The slowest months of the year, January and February, may attract only 30,000 daily Enplanements or 60,000 total passengers. Business operators at the Airport must be prepared to operate under both high and low travel season conditions. The Transportation Security Administration currently publishes bi-weekly forecasts of anticipated travelers based on airline bookings that are shared with tenants that operate at the Airport.

Sea-Tac connects the Pacific Northwest to more than 70 domestic cities and 16 direct international destinations. Despite growing international service, Sea-Tac is primarily a U.S. domestic airport. In 2014, 10.3% of total Enplanements were international passengers, and a third of the passengers are destined for Canada and Mexico. The passengers at Sea-Tac are primarily leisure travelers. In 2014, 68% of passengers were traveling for leisure or personal matters; 32% traveled for business.

Sea-Tac is known as an “origination and destination” airport, not a transfer airport. More than 70% of passengers are either beginning or ending their trip in Seattle. This means that a relatively large portion of travelers are residents of Washington State, as compared to a transfer hub such as airports in Denver or Atlanta. Sea-Tac passengers tend to have a greater familiarity with local brands as well as fairly good knowledge of the airport layout and offerings. The Airport also is characterized primarily by its morning departures. Security checkpoints open at 4:30 AM and the majority of passengers will have departed

before 1:00 PM. As a result, operators must plan their hours of operation to match traveler demand for products and services. International departures are more evenly spread throughout the day and early evening. A Passenger Traffic Summary is attached as **Exhibit 2**. Historical Airport Dining and Retail sales performance is attached as **Exhibit 3**.

Facts about Sea-Tac travelers:

- 37.5 million passengers in 2014
- 68% leisure/personal travel : 32% business travel
- 51% male, 49% female
- 31% reside in King County, WA
- 60% are younger than 53 years old
- 55% travel through Sea-Tac 1-2 times per year, 25% 3-5 times annually
- Average household income: \$102,000
- Over half of travelers are college-educated
- Average traveler arrives nearly 2 hours before departure
- Tech-savvy: 98% of travelers carry a cell phone, 84% a “smartphone”

Source: 2014 Sea-Tac Enplaning Passenger Survey

Airport Vision and Objectives

The Sea-Tac dining and retail program embraces the qualities of the Pacific Northwest by blending the vitality of a vibrant marketplace with a wide variety of quality products and services at reasonable, street-comparable prices.

The Port seeks to enter into an Agreement with experienced, qualified, and financially sound businesses that will be expected to work with the Airport to meet these program objectives:

- Offer Sea-Tac travelers the right products and services, in the right locations, by the right operators
- Foster a Pacific Northwest ‘sense of place’
- Provide shops, restaurants and services that exceed expectations for customer service, quality, variety, and reasonable pricing
- Incorporate well-known national brands as well as local favorites to meet a variety of needs and tastes
- Provide for quality jobs, employment continuity and service continuity
- Provide opportunities for local, small and/or disadvantaged companies to act as suppliers to the airport operation
- Where possible, encourage participation of Airport Concessions Disadvantaged Business Enterprises and other minority-owned businesses

The Port specifically reserves the right to negotiate the final Agreement terms with the chosen business entity resulting from this CEP. A draft Agreement is attached for reference (**Exhibit 4**), but will not act as a limit to the Port’s ability and authority to negotiate final terms of the Agreement (as determined to be in the best interest of the Port and its stakeholders).

[Airport Concession Disadvantaged Business Enterprise \(ACDBE\) Program](#)

Sea-Tac actively encourages local, small and minority-owned business participation in the airport dining and retail program. Eligible companies can become certified as Airport Concession Disadvantaged Business Enterprises (ACDBE). Applications for certification can be made through the Washington State Office of Minority and Women's Business Enterprises (<http://www.omwbe.wa.gov>) or toll free (866) 208-1064. Please note in your submittal if your proposed operation includes ACDBE participation.

[Environmental Sustainability](#)

The Port is committed to conserving natural resources, reducing pollution, and ensuring a healthy and sustainable future for the Puget Sound region. In this effort, respondents are strongly encouraged to incorporate environmentally-sound practices into development plans, and elaborate on these practices in the submittals. The Port requires businesses to participate in recycling and composting programs. Currently, there is also a food donation program benefitting a local food bank available to tenants for participation. The Airport may develop new environmental programs in the future that will include compostable service ware that respondents should be prepared to participate in to the greatest degree possible.

[Small Business Suppliers](#)

The Port seeks to create business opportunities for local, small and minority-owned businesses as suppliers and vendors to airport businesses. Please note in your submittal if your proposed operation includes sourcing from local, small and/or minority-owned firms.

[Submittal Schedule](#)

CEP Date of Issue	August 7, 2015
Airport Meeting and Onsite Tour*	August 24, 2015
Submittals Due	October 6, 2015

*(Specific RSVP requirements for meeting and tour: www.lease.seatacshops.com)

[Leasing Opportunities and Build-Out Requirements](#)

The dining offering at Sea-Tac is characterized by its quality fresh ingredients and preparation. Sea-Tac travelers expect a variety of freshly prepared offerings, as well as quality grab-and-go items, to suit different tastes during all parts of the day. Every dining offering must provide a robust breakfast menu.

The retail offering at Sea-Tac has expanded in the last 15 years to include convenience retail, a broad selection of specialty retail types, as well as more robust duty free/duty paid merchandise. Retail concepts must demonstrate an ability to meet the needs of a broad passenger demographic and contribute to a balanced retail mix.

Table I. Description of Lease Opportunity

Package Number X	Proposed Concept	Sq. Ft.	Anticipated Date Unit is Available for Build - Out
Unit - XXX	Table Service Restaurant and Bar-Full Service. Local or national brand casual dining restaurant offering breakfast, lunch, and dinner. Menu and offerings shall be of high quality and offer good value to the customers. Full bar service must be available. Most menu items shall also be available for carry-out in convenient packaging.	XXX	[Insert Date]
Term All units included in the lease will terminate at the same time		X years	
Minimum Investment in Fixed Improvements per Square Foot		\$350	

All units included in this CEP are shown on the lease outline drawings in **Exhibit 5**.

All businesses must be open and able to serve customers at least one hour before the first flight departs in the morning and remain open until the last outgoing flight departs each day (flight schedules vary based on concourse/satellite location). The Central Terminal area currently has set operating hours of 5:00AM to 11:00PM for dining and 6:00AM to 10:00PM for retail, which are subject to change at the request of the Port.

Flight delays sometimes occur due to weather and other unplanned events. Businesses must be flexible to quickly extend operating hours based on the need to service passengers. In some instances, this will be at the request of the Port.

The business selected for this opportunity will be required to plan, design, and fully build out the new unit(s) at their sole cost, in accordance with the Port of Seattle’s Tenant Design and Construction Process Manual located on the Port’s website: <http://www.portseattle.org/Business/Construction-Projects/Airport-Tenants/Pages/Reference-Documents.aspx>. The Port will provide shell conditions, including demising walls, concrete slab flooring, unfinished ceiling, and utility infrastructure to the lease line. Utilities, depending on whether a food/beverage or retail operation, include electrical, water/sewer, grease interceptor, gas (where available), and data. Businesses will take the premises “As-Is” and some units with existing tenants will likely require some modifications prior to new construction.

At a minimum, the amount per square foot identified in Table I as “Minimum Investment in Fixed Improvements per Square Foot” must be invested in the initial build-out. This minimum investment per square foot does not represent an actual expected cost to design and build out the unit(s) in accordance with the Port’s design and construction guidelines. Respondents are required to complete and submit their proposed capital investment and indicate the sources of funding to be used for the tenant improvements and working capital on the attached **Exhibit 6**. The Port cannot guarantee a specific schedule for the design and construction process, but it typically will take eight to ten (8-10) months from the agreement commencement date before opening for business (there will be exceptions to this timeframe if there are multiple units in a package). In addition to the initial minimum investment, a

minimum investment equal to 15% of the original build-out cost will be required in the Agreement for a mid-term refurbishment of the unit(s) at the midpoint of the term.

All dining and retail units must be professionally designed (both interior and exterior) and built out by licensed contractors selected by the tenant. All materials and/or equipment must be new and meet the standards and approval of the Port.

Office and storage space may be available at an additional cost. The airport currently has a limited amount of space designated for dining and retail on-site storage, so efficiency in the planning and design of units is crucial. Office space is extremely limited and should not be considered in the respondent's operational plans.

Current costs are:

Storage space:	\$7.75 PSF up to 400 SF \$31.00 PSF over 400 SF
Office Space:	\$25.00 PSF up to 100 SF \$48.80 PSF over 100 SF

Food service operators that share common food service seating are charged a janitorial fee for trash removal, bussing, and other cleaning and maintenance services, as required. The cost of furniture and other related furnishings are not included and are paid for by the Port.

Airport tenant costs also include the direct payment of utilities, including but not limited to electric, water, sewer, natural gas, grease interceptor, pest control and trash service. These items are billed by the Port each month to the tenant. The tariff rates for utilities are posted on the Port of Seattle website. <http://www.portseattle.org/Business/Airport-Tenants/Pages/default.aspx>

Employee badging costs are paid by the tenants. These costs vary based on the type of security badge and are detailed on the Port of Seattle website.

Sea-Tac provides off-site parking lots for employee use with bussing service to the airport 24 hours a day. The monthly cost for parking is available through the Port's website.

<http://www.portseattle.org/Employee-Services/Pages/default.aspx>

Airport tenants leasing space are also responsible for the payment of Washington State leasehold excise tax in lieu of standard real estate tax. The current tax rate is 12.84% and is paid on the first seven percent (7%) of gross sales each month.

Summary of Business Terms

Term of the Agreement

The term of the Agreement will begin upon beneficial occupancy of the first unit in the package and expire following XX years from the beneficial occupancy of the final unit in the package, if applicable.

Minimum Monthly Guarantee and Percentage Rent

Dining, retail and service tenants at the Airport pay rent as a Minimum Monthly Guarantee ("MMG") or percentage rent, whichever is greater. The MMG is paid on the first of every month and

any percentage rent due above the MMG is reported and paid by the 15th of each month for the preceding month.

There will be no Minimum Monthly Guarantee (“MMG”) for the first year. The business will pay percentage rent only each month prior to the beneficial occupancy of the last unit completed in the package (or the Build-Out Deadline set by the Port for the completion of all build-out work, whichever is earlier). For the second and all subsequent lease years, the MMG will equal eighty percent of the actual rent paid for the previous lease year, allocated in equal monthly installments of one-twelfth of the actual rent paid. Any percentage rent above the MMG would be reported and paid by the 15th of each month for the preceding month.

As part of your submittal, you will be required to:

- Provide a financial offer on the attached **Exhibit 7**. Percentage fees that increase with sales volume, i.e., tiered rent structures will be accepted.

The Port will **not** renegotiate the percentage fees during the term of the Agreement. The Port is under no obligation to accept the highest percentage fee proposed.

Minimum Requirements

In order to be considered for an Agreement, respondents must be able to meet the following minimum requirements:

- Minimum of three (3) years of experience in food service, retail and/or service operations at airports, transportation facilities, shopping centers or business districts. Such prior experience must be with operations generating a sales volume as large or larger than that being proposed.
- Must demonstrate the financial capacity for the initial investment and the ability to sustain operations over the life of the agreement.
- Must never have defaulted on a prior agreement.
- Must never have had an agreement terminated for cause.

Competitive Integrity

The Port protects the integrity of the selection process in order to assure a neutral competitive environment for all respondents. Your company, or anyone on its behalf, may only contact the Port’s third-party leasing representative, AirProjects, about this CEP from the release date until the execution of an Agreement with the selected respondent. Any communication concerning the content of this solicitation by a potential or actual respondent, or anyone on its behalf, with any Port elected official or employee will result in elimination of the submittal, unless, in the reasonable judgment of the Port’s General Counsel, the communication could not be believed to have given the respondent a competitive advantage.

Submittal Instructions

If you are interested in offering a submittal to lease a restaurant, retail, and/or service location(s) in this CEP, your submittal must be organized in accordance with the instructions in this section. Responses must be on 8.5” x 11” paper and simply bound in a three-ring binder. Prior to the date and time below,

please submit one original submittal and an electronic PDF copy on a flash drive, along with the pro forma in Excel format.

Submittals must be received by 2:00PM eastern standard time on October 6, 2015.

Submittals should be directed to:

AirProjects, Inc.
Attn. Emily Escrader
908 King Street, Suite 400E
Alexandria, VA 22314

Clearly label the package: "SEA-TAC AIRPORT CEP – Name of Package."

Submittals **must** include a cover letter and the following SEVEN sections in order to be considered for evaluation:

Cover Letter

Your submittal must include a cover letter not to exceed one (1) page that includes the following:

1. Date submitted
2. Name in which the respondent would enter into the Lease and Concession Agreement
3. Statement of interest in the specific units in the CEP
4. Submittal's contact person and his or her title, telephone number, mailing address, and email address

Section One. Background, Experience, and Financial Capability (submit a maximum of five pages for this section, not including financial statements noted below)

The company must demonstrate stability, experience and expertise in operating a similar business as proposed in a challenging environment. The company must demonstrate that it has the financial capacity to fulfill the commitments of an agreement with the Port. Information submitted in response to this section must include a narrative for each of the following items:

1. Demonstrate that the company meets or exceeds the minimum requirements as stated in this CEP.
2. Provide the legal business name, full address, telephone, email address and website of the company.
3. Provide a description of the business entity (i.e., corporation, LLC, partnership, joint venture or sole proprietorship) along with the following information depending on the type of organization:
 - If a corporation, attach the Articles of Incorporation, and list the names, addresses and shares of all persons or entities owning ten percent (10%) or more of the applicant company's voting stock.
 - If an LLC, attach the Articles of Organization and list the name and address of each member.
 - If a partnership, attach a copy of the Partnership Agreement, and list the name, address and share of each partner.

- If a joint venture, list date of organization, attach a copy of the joint venture agreement, indicate if the joint venture has done business in the State of Washington and where, and list the name, address and share of each joint venture partner. If the joint venture includes an ACDBE or an ACDBE respondent, and it is the desire of the joint venture partners that the ACDBE partner's portion of the sales be applied towards the ACDBE goal, then the joint venture must be in compliance with the Joint Venture Guidance issued by the U.S. Department of Transportation Federal Aviation Administration in July 2008.
 - If a sole proprietorship, list all business names under which such proprietor has done business during the last five (5) years, address(es), how long in business, social security number, and state whether registered or authorized to do business in the State of Washington.
4. Identify the sources of funding to be used for tenant improvements and working capital.
 5. Indicate the current number of full-time and part-time employees, if applicable.
 6. Include a brief history of the business. Note any changes in company name(s) and ownership structure(s) and any other names under which the company has been doing business. List any judgments or lawsuits currently pending or any lawsuit filed against or judgment offered against you or the company within the last ten (10) years. Also list any lawsuits filed by you or the company in the last ten (10) years. Note if you have ever declared bankruptcy, filed a petition in any bankruptcy court, filed for protection from creditors in bankruptcy court, been named as a defendant in any legal proceedings, or had involuntary proceedings filed in bankruptcy court and the status of each occurrence.
 7. Indicate if you are ACDBE-certified in the State of Washington or if you are seeking certification.
 8. Explain in detail the company's food service, retail and/or service operating experience.
 - Number of years of experience operating in a mall, downtown, airport, or other high-traffic location.
 - Number of locations currently in operation and specific experience with the offered concept, if any.
 - Descriptions of up to three (3) current operations most relevant to those included in this submittal. For these relevant operations, list the square footage, gross sales for the last three years, sales per square foot, Enplanements for those years (if an airport property), average sales per transaction, guaranteed rent or base rent (if applicable), percentage rent (if applicable), actual rent paid, term of lease (including commencement and expiration dates), capital investment (broken down into initial build-out and refurbishments, if applicable) and photographs (if available). Include a description of any operational challenges, including logistics, seasonal business swings, employee retention and any others deemed appropriate as a response.
 - Names, addresses and telephone numbers of the current landlords or property managers for each of these operations who will be familiar with the day-to-day operations.

9. Provide names, addresses, and telephone numbers of at least two (2) business references and at least one (1) banking reference. Banking reference must be the primary financial institution with which business is conducted.
10. Provide balance sheet and income statements for the last three (3) fiscal years prepared in accordance with generally accepted accounting principles (GAAP). If the company is a newly-formed organization, the applicant company must include a certified statement of the names of the officers of the organization to be formed, the principal occupation of all members of the new organization's Board, and certified statements of the net worth of the prime participants in the organization.

Section Two. Concept Development (submit a maximum of 5 pages for this section)

Demonstrate the ability of the concept (or concepts) proposed to meet or exceed the expectations described for the unit or units. The Airport is a competitive environment for the customer spending; therefore, the ability to attract business hinges on developing a concept with broad and lasting customer appeal.

Information submitted in response to this section must include a narrative description of the following:

1. Provide details of the restaurant or retail concept proposed, including the name of the proposed store name/concept, whether it would be a franchised/licensed operation, and the rationale for its selection for the Seattle market. Fully explain why you believe this concept will be successful at Sea-Tac. Provide this information for every location, if concepts differ.
2. Provide a merchandise/menu/services list including proposed pricing. All prices must adhere to the airport's Street Pricing Policy. Details about how to price merchandise is contained as an exhibit to the draft agreement. [FOOD] Proposals should also include selections specifically oriented to and priced for children. Every effort should be made to include menu items that cater to dietary restrictions, such as gluten-free, vegetarian, and vegan. In developing menus, a majority of the selections should be able to be prepared in a short amount of time to accommodate the traveling customers. [RETAIL] Proposals should include information about why the proposed merchandise offering will be successful in an airport, and the contribution it will add to the overall retail mix at Sea-Tac.
3. Provide franchise and/or license authorization letters and disclosure documents for any franchised or licensed concepts in the submittal.

Section Three. Unit Design and Capital Investment (submit a maximum of 5 pages for this section, not including renderings and floor plans)

Demonstrate and describe the quality of unit design, efficient use of space, selection of appealing and durable materials (including sustainable materials) and its' relation to the Pacific Northwest sense of place, as well as the reasonableness of the proposed capital investment in the unit(s).

1. Describe the design (materials, floor plan, number of seats if applicable) of the unit or units, **including a rendering or photograph of the proposed dining, retail or service concept and a floor plan of the unit.** Please include photographs of an existing location if it is of the same concept being proposed. Renderings or photographs and floor plans may not exceed 11" by 17" and must be contained in the three-ring binder. Please note any unusual utility requirements.

2. Provide information about environmental sustainability considerations planned for the design and build-out of the unit(s), such as materials procurement and other sustainable practices.
3. Identify the minimum capital investment (per square foot and total) that will be made to build out the unit(s) (not including the cost of initial inventory), along with a separate figure for the minimum investment per square foot that will be invested for the mid-term refurbishment of the unit(s).

Section Four. Financial Projections and Financial Offer

Your submittal must include a completed financial offer using the form provided in attached **Exhibit 7** as well as a completed Pro Forma noted below. Both documents are available electronically on the Sea-Tac Airport leasing website (www.lease.seatacshops.com/forms) and require the following information:

1. Proposed percentage rent structure.
2. Completed financial Pro Forma for each individual unit, as well as for the entire package in the case of a multiple unit package. The Pro Forma must be submitted electronically in Excel using the downloadable template (at lease.seatacshops.com/forms). A written sample of the Pro Forma template is shown in attached **Exhibit 8**.

Sales projections will be evaluated for reasonableness based on historical performance and/or the company's demonstrated experience in other locations. Revenue will be evaluated based upon the proposed percentage fee of projected gross sales and the total amount of revenue the Port could expect to receive based on the submittal for the term of the Agreement. The sales projections in the submittal will be used in the evaluation of the total revenue to the Port, but the Port specifically reserves the right to make adjustments to projections.

Section Five. Operations and Maintenance

The company must demonstrate its commitment to reliable, safe, clean and well-merchandised operations, as well as a proactive and consistent approach to preserving the units (including equipment). You should detail environmental sustainability measures that you currently or will practice in the operation of the business, including (where applicable) separation of waste, recycle and compost, and use of compostable materials.

1. Describe in detail relevant to your type of business environmental philosophies and practices that are a part of your day-to-day operation. All companies are required to participate in airport environmental composting and recycling initiatives. Companies are encouraged to use other environmental practices such as compostable service ware.
2. Describe your company's standards for day-to-day operations, including cleaning (areas and frequency), equipment and furniture upkeep, preventative maintenance schedules for all systems, and the means used to track and document these practices.

Section Six. Management, Staffing, and Workforce Training

The company must demonstrate its ability to effectively manage all units and operations, which also includes quality leadership, adequate levels of staffing, robust training for staff and incentives for performance. You must also demonstrate commitment to employer philosophies and programs that support a positive work environment and the development of staff.

1. Describe your management and staffing structure. Describe methods used to determine the levels of staffing required to provide excellent customer service, product quality and a well-maintained/clean unit. Indicate your commitment to meeting the operational conditions of the airport environment in specific regard to the operating hours.
2. Explain the company's philosophies and goals regarding recruitment and retention of management and front-line staff.
3. Outline employee training practices, including a brief description of customer service, merchandise/menu and store operations training or any other training programs unique to the proposed concepts provided to employees.
4. Describe any employee incentive programs that will be initiated at the Airport to monitor, measure, promote, and reward for sales, customer service, and cleanliness excellence.
5. Describe philosophies regarding employee development, including any company sponsored or supported workforce development and succession programs.

Section Seven. Commission Preferences (submit a maximum of five pages for this section)

The Port Commission supports the creation of business opportunities that foster economic prosperity, entrepreneurial initiative, increased job opportunity and job security. In addition, the Commission is committed to the creation of job opportunities that offer wage compensation and other benefits that allow employees to thrive and the empowerment to seize opportunities for personal and professional growth. The company must provide detail regarding its commitment to employment continuity, provision of quality jobs, sustainable wages, benefits and PTO. If your company anticipates operating four or more units, you also will describe the company's efforts to have discussions regarding service continuity with labor organizations.

You must include information in a narrative response for each of the following items:

1. Wages and Compensation – Employers should pay a living wage rate. The King County Self-Sufficiency Standard may be used as a guide and is found at www.thecalculator.org.
 - a. State the starting pay scale for non-managerial, hourly employees anticipated to be employed in the operation and whether it can be characterized as a living wage rate.
 - b. Explain how the pay scale compares with the wage rates in the King County Self-Sufficiency Standards. In your explanation, identify all assumptions made in characterizing the starting pay scale as a “living wage” rate for your employees.
 - c. Describe other forms of compensation (tips, sales commissions, bonuses) and/or benefits provided.
2. Paid Time Off - Employers should provide a minimum level of paid time off (“PTO”) to their employees, reasonably at a rate of at least one hour for every forty hours worked, allow employees to use PTO no later than after 180 days of employment, allow employees to carry over a minimum of 40 hours of PTO from year to year, and allow the reinstatement of any accrued PTO if an employee returns to employment after separation or transfer. Provide information about the degree to which these expectations will be met and/or exceeded.

3. Affordable Care Act Compliance – Employers should provide health insurance to their full-time employees, consistent with the requirements of the Affordable Care Act (“ACA”). Employers should provide information about the provision of health insurance to full-time employees consistent with the requirements of the ACA.
4. Employment Continuity Pool – Employers should provide a commitment to interview qualified, non-managerial, non-supervisory and non-confidential employees from the Port’s Employment Continuity Pool, managed by a third party vendor, before considering applications outside the pool. **If the award of this opportunity may result in the operation of four (4) or more units at Sea-Tac, you are expected to provide a commitment to hire such employees from the pool.** For employees that may be hired from the pool, employers should indicate a commitment to retaining those employees for a minimum of a 90-day “trial period” and the conditions for such “trial period.” If you do not believe that participation in the Port’s Employment Continuity Pool will be applicable, please explain in your submittal.
5. Service Continuity Assurances – If the award of this opportunity may result in the operation of four (4) or more units, the Commission expects that the company will document good faith discussions with labor organizations representing incumbent employees. If applicable, provide documentation, such as phone logs, emails, journals, agendas and/or notes that show these efforts. If you believe that this assurance is not applicable to your proposal, please explain in your submittal.

Questions

Respondents may ask questions about any aspect of the CEP. Questions need to be submitted in writing to AirProjects and a written response to questions will be provided to all potential respondents who have registered on the Port’s leasing website. Once a submittal has been submitted, no changes will be accepted. Questions should be directed to AirProjects either by postal mail at the following address: Attention - Dawit Beru, 908 King Street, Suite 400E, Alexandria, Virginia 22314, or by email to Sea-Tacleasing@airprojects.net. Questions must be received by September 22, 2015, in order to be answered prior to the submittal due date.

Evaluation Process

Submittals will be evaluated based on the responses to the submittal requirements outlined in Sections One through Seven above with the following points associated with each criterion:

Company Profile, Experience and Financial Capability:	20 points
Concept Development:	25 points
Unit Design, Materials and Capital Investment:	20 points
Financial Projections and Rent Submittal:	25 points
Operations and Maintenance:	25 points
Management, Staffing and Workforce Training:	20 points
Job Quality, Employment and Service Continuity:	15 points

Submittal Acknowledgements

By sending a submittal, the respondent declares that the facts set forth in the submittal are true and correct. The respondent recognizes that the Port of Seattle will rely on the information provided in the submittal in determining the credit status of the respondent and that any substantial discrepancies that may come to the Port of Seattle's attention before or after execution of an Agreement may result in the Port of Seattle finding the Agreement to be in default and may exercise any of the remedies prescribed in the Agreement. The submittal is for informational purposes only and is not to be considered in any way a commitment to enter into an Agreement. Any false statements, omissions, or other misrepresentations made in the submittal may result in immediate disqualification.

Further, the respondent authorizes any person or entity to release or furnish information to the Port of Seattle as may be requested in connection with their review and evaluation of this submittal. **ADDITIONAL INFORMATION MAY BE REQUIRED THAT COULD INCLUDE, BUT IS NOT LIMITED TO, BALANCE SHEETS AND INCOME STATEMENTS, PROFORMAS, TAX RETURNS, PLANS AND DESIGNS, AND BUSINESS PLANS.** Respondents may be required to participate in an in-person interview to discuss their submittal. The respondent further agrees that all submittals, financial statements, tax returns, reports, and other materials furnished or obtained in connection herewith shall become the property of the Port of Seattle.

The information provided by the Port of Seattle, its employees and leasing agent – whether at the Outreach Meetings, in written form, on the website, or otherwise – is intended to provide a general overview of potential business opportunities at Seattle-Tacoma International Airport. That information, including but not limited to, historical sales performance of existing and prior concessionaires, forecast enplanement levels, air carriers/air service, facility conditions, and security requirements is considered reliable, but is subject to change, and the Port makes no representation or warranty about its accuracy. In addition, operating a restaurant, retail shop, or personal service business in an airport environment is unique and quite unlike similar operations in a “street” or mall location. The opportunities and challenges that affect success are many, and they are often unpredictable. In order to be successful, an operator must possess a high degree of business acumen and an ability to uphold high standards of operation and customer service under sometimes difficult and frequently changing circumstances. Similar to a shopping mall or other non-airport environment, the Port (like other landlords) cannot guarantee or warrant circumstances beyond its control.

In addition to those factors that can affect profitability at non-airport locations, the following additional circumstances can affect airport business opportunities:

- The number of Enplanements/passengers Airport-wide can be affected by global, regional, or local economic conditions.
- The number of Enplanements/passengers in any given concourse or Airport concession zone can be affected by carrier mergers, destination changes, airline insolvencies, and many other events.
- The locations or number of air carriers providing service at the Airport can be affected by airline scheduling, relocations, consolidations, or retractions.

The Port is not responsible for any of these events and cannot accept responsibility for their consequences.

The location, number, and type of competing dining and retail businesses are also unique in an airport environment. The Port does not typically grant exclusive leases of any kind and may add and/or relocate new/existing concession businesses as circumstances dictate. Concessionaires are regularly acquired and sometimes change brands. Moreover, the Port, in many instances, seeks to promote competition between its concessionaires to increase the overall level of service at Sea-Tac and to the traveling public. The Port likewise cannot accept responsibility for circumstances as a result of these actions.

Please understand that respondents are responsible for evaluating whether any specific opportunity is an appropriate fit for your financial circumstances, your business acumen, and your operational skills. The respondent is responsible for the due diligence to determine whether you believe that you will be able to recover any investment made by the end of a granted lease term. The Port makes no warranty that respondents will recover their investment or that the business will yield a profit.

Respondents should also understand that as a public agency, the Port may be required to disclose in accordance with the Washington State Public Records Act 42.56 RCW, documents pertaining to the respondent's tenancy, including but not limited to, lease agreements and reported sales, if requested.

Prior to submittal, all respondents are required to review the document entitled "Operating a Concession Business at Seattle-Tacoma International Airport" attached as **Exhibit 9**.

BY SENDING A SUBMITTAL, A RESPONDENT ACKNOWLEDGES THAT THEY UNDERSTAND ALL INFORMATION CONTAINED IN THIS CEP AND ANY RELATED DOCUMENTS SUBJECT TO THIS NOTICE AND UNDERSTAND THAT NO WARRANTY OR REPRESENTATION OF ANY KIND IS BEING MADE THAT THE RESPONDENT WILL RECEIVE ANY PARTICULAR LEVEL OF SALES, PROFITS, OR OTHER ECONOMIC BENEFITS IF ENTERING INTO A BUSINESS RELATIONSHIP WITH THE PORT OF SEATTLE. THE PORT WILL NOT CONSIDER ANY REQUESTS FOR RELIEF FROM FINANCIAL OR OTHER OBLIGATIONS COMMITTED TO IN AN EXECUTED LEASE AND CONCESSION AGREEMENT.