

**Broomfield Urban Renewal Authority**  
**REQUEST FOR PROPOSALS (RFP) FOR OPERATORS FOR THE**  
**BROOMFIELD EVENT CENTER**

**Introduction:**

The Broomfield Urban Renewal Authority (“BURA”) would like to thank you for your participation in this Request for Proposal (“RFP”) for a new operator/manager for the Broomfield Events Center (“BEC”).

Below you will find information to help you clearly understand the opportunity related to operating and managing the BEC, as well as specific questions that will enable BURA to choose a new BEC operator.

**The BEC:**

The BEC is approximately a \$43 million, 180,000 square foot facility, located on a 9.8 acre parcel of land that opened on November 9, 2006, and can host up to approximately 6,000 patrons for sporting events, including hockey games and 7,500 patrons for concerts and other events. The construction manager for the BEC was Icon Venue Group headed by Tim Romani. The current managing operator is Broomfield Sports and Entertainment, LLC (the “Current Operator”). The BEC is widely seen as one of the best mid-size venues in the United States from a construction and operational standpoint.

The BEC is owned by BURA and was financed by BURA through the issuance of its tax increment revenue bonds in the amount of \$59,785,000 (the “BURA Bonds”). The BURA Bonds are payable from tax increment revenues from approximately 209 acre Arista Development (the “Arista Development”) surrounding the BEC and not from revenues of the BEC. The BURA Bonds are additionally secured by a letter of credit issued by BNP Paribas, San Francisco Branch.

The BEC is located on a 9.8 acre parcel of land in the Arista Development on the Boulder Turnpike (U.S. Highway 36) at the Wadsworth Parkway interchange, approximately mid-way between Denver and Boulder, Colorado. U.S. Highway 36 is a primary thoroughfare between Denver and Boulder. The BEC has significant highway visibility to an estimated 80,000 cars per day. The BEC includes LED signage fronting U.S. Highway 36.

In connection with this transaction, the City and County of Broomfield (City) and BURA will anticipate offering significant marketing and advertising support to the new operator of the BEC. Additionally, given an appropriate operator partnership, BURA is willing to undertake real estate transactions to supplement the current assets of the BEC.

The Arista Metropolitan District is a Colorado Special District that provides public improvements and services to the Arista Development. The Arista Metropolitan District (the “District”) issued Parking/Special limited revenue bonds in the amount of \$19,640,000 (the “Parking Bonds”) to finance the Parking Structure. The Parking Structure is capable of parking approximately 1,500 cars. Approximately 1,300 spaces will be available to BEC at the time of this RFP.

The Parking Bonds are payable from several sources, including, but not limited to, a parking fee of \$3.00 per vehicle imposed on each vehicle that uses the Parking Structure during an event at the BEC and a \$2.00 ticket fee on all tickets sold for events at the BEC.

Finally, the BEC itself has no debt service obligation.

## **BEC Transaction Structure**

Based upon previous, non-binding discussions with potential operators, the core economic structure of a BURA – Operator transaction is materially as follows:

Material transaction terms:

1. Partnership: 20-40 years (potentially, a longer term is feasible, subject to operator operational needs and BURA needs).
2. Arena Debt: none.
3. Teams: currently the Colorado Rage (CHL) and the Colorado 14ers (NBADL) play at the BEC. Either or both may be retained as tenants or ownership may be assigned subject to separate third party negotiations and agreements at the option of the new operator, or either or both may be transferred from the BEC at the option of the new operator.
4. Revenue Stream: all venue revenue streams are available to the replacement operator, subject to section 8 below.
5. Operating and Capital Expenses: the replacement operator will be responsible for all venue operating and capital expenses. Negotiated operating and maintenance standards will be implemented in the venue operating agreement.
6. Performance Standards: performance standards (minimum shows, etc.) will be implemented with significant flexibility for the operator.

7. Parking Structure: the portion of Parking Structure revenues from events held at the BEC not pledged to the Parking Bonds is available to the replacement operator. In connection therewith, the replacement operator must make either a minimum payment each year in connection with the Parking Bonds of (i) \$2/ticket sold and \$3/car parked in the Parking Structure or a possible negotiated flat fee payment and (ii) an annual \$150,000 deposit with BURA for deposit in a special fund to support Parking Structure debt service, when needed, which \$150,000 will be returned if not required for debt service.
8. Revenue Share: BURA will be entitled to a negotiated revenue share above a certain revenue threshold for the replacement operator.
9. City and/or BURA Support: the City and/or BURA will offer significant marketing and community support in connection with the transaction.
10. On-going Operator Commitments and Considerations: the new operator will commit to (i) proactive community outreach, events and participation; (ii) preference to the extent possible in hiring Broomfield residents; and (iii) on-going booking and activation involvement.
11. “Open” Building: the BEC operator, in the case such operator is also a venue promoter, will establish a standard venue “rent” deal for other promoters who wish to utilize the building.

## **BEC Transaction – BURA Goals and Objectives**

To help guide your review and answers to this RFP, below is a brief list of BURA's goals related to a successful replacement operator transaction:

1. **Successful Mutual Economic Transaction:** BURA is aware that the more successful the BEC is for the replacement operator, the more committed the replacement operator will be to the BEC. Further, obtaining a partner that is well situated to invest for long term success is critical to BURA. Finally, BURA ultimately would like to receive annual revenue from the BEC. Therefore, the replacement operator's economic offer under this RFP is critical as is the operator's ability to generate revenue from multiple sources to support that offer.
2. **Motivated and Engaged Community Partner:** BURA believes that the BEC will be successful economically if the surrounding communities embrace the venue. Having a partner with a past record of successful economic and community development is very important to BURA. A clear, demonstrated commitment on the part of the replacement operator to near and long term community participation and activation will be a critical element towards a successful bid.
3. **First Class Performance and Cutting Edge Venue Concepts:** The BEC is seen as one of the top venues for its size in the Nation. BURA is seeking an operating partner with the ability to offer best in class performance for the operational elements of the BEC. From ticketing to marketing to sponsor sales, BURA would like to partner with an entity that can and will bring cutting edge arena management concepts to the BEC.
4. **An Expansive Partnership:** While not required, an operator/partner that has resources BURA can access with relation to issues outside of the venue is extremely helpful. For example, BURA has a strong interest in the success of the Arista Development. An operator with relationships, experiences and assets that can help BURA towards this goal, while not required, will be favored.

**RFP Summary Information Statement:**

1. **Revenue** - all standard and customary venue revenue streams will be available to the operator. These streams include: sponsorship, advertising, media rights, internet rights, concessions, merchandise, booking revenue and parking.
2. **Expenses** - all standard and customary venue expenses will be the responsibility of the operator, including any venue operating losses.
3. **Capital Expense** - all venue capital expenses will be the responsibility of the operator.
4. **Insurance, Taxes** - all venue insurance and taxes will be the responsibility of the operator and will be procured in compliance with BURA's obligations.
5. **Parking Structure** - an annual payment related to the venue Parking Structure will be the responsibility of the operator in the amount of (i) \$2/ticket sold and \$3/car parked or a possible negotiated flat fee in the Parking Structure that will be used to pay Parking Bonds, and (ii) an annual \$150,000 deposit with BURA for deposit in a special fund to support Parking Structure debt service, when needed, which \$150,000 will be returned if not required for debt service. Respondent shall enter into all necessary agreements with the Arista Metropolitan District, BURA and the Regional Transportation District concerning the use and maintenance of the parking Structure.
6. **Arena Debt** - the operator will have no obligation for BEC debt payments.
7. **Operations** - the operator will have no liability for operations costs for the BEC prior to entering into an operations agreement with BURA.
8. **Equipment** - the equipment listed on Annex A is included with the facilities available through the agreement. Any other equipment necessary for operation of the BEC or that needs to be replaced during the term of the agreement will be the responsibility of the operator.
9. **Signage Opportunities** – the current LED signage will be made available to the operator under the operations agreement.

10. **Current Operator Agreements** – current operator vendor agreements may be assumed, if assignable, by the new operator or rejected by the new operator.

11. **Teams** - the hockey and basketball teams may be retained as tenants or ownership may be assigned subject to separate third party negotiations and agreements, at the discretion of the new operator or may be removed from the BEC.

## **RFP Discussion Terms and Questions:**

### **1. Partnership**

BURA anticipates entering into a long term operations and management agreement with the new operator. Please describe your preferred agreement term and any material issues related to the agreement structure.

### **2. Insurance Requirements**

Please see Annex B which lists the minimum insurance requirements for the new operator and indicate any comments to such Annex.

### **3. Furniture, Fixtures and Equipment (FF&E)**

The equipment listed in A1 of Annex A, FF&E, is owned by BURA and has an estimated total value of \$6,081,429.48. The equipment listed in A2 of Annex A, FF&E, is equipment BURA is considering purchasing and has an estimated total value of \$1,330,161.27. The FF&E listed in Annex A that is owned or may be purchased will be made available to the operator under the operations agreement.

### **4. Committed Parking**

Please indicate your desired level of committed parking for the BEC and the efforts you are willing to undertake to assist BURA in achieving this level of parking. Please see attached Annex C for the current anticipated level of committed parking.

### **5. Arista Development**

Please indicate how you intend to work with the Arista Development and BURA in promoting the BEC as a venue that is a part of the Arista Development. Please indicate sales, marketing and sponsorship efforts you would propose to undertake and your experience with such efforts in past transactions, if any. Specific short term and long term ideas and concepts to aid BURA in its efforts to foster growth of the Arista Development are welcome as part of your answer.

6. **BURA Revenue Share**

As part of this transaction, BURA will receive a revenue share above a negotiated economic threshold from the new operator. Please indicate the revenue share you will agree to with BURA. Please indicate in your response the revenue thresholds, payment timing and revenues involved.

7. **Operating and Capital Expenses**

Please indicate the process you would recommend by which you will ensure for BURA that proper operating and capital expense items are addressed over the term. Please indicate the management agreement standards and BURA input/review process related to such operating and capital expenses. Please provide a general price estimate and description of capital expense undertakings over the term of the agreement.

8. **Operations**

In order to maintain and operate the event center in a first class manner consistent with the standard of operation and maintenance of other similarly sized first class event centers in the United States, please indicate the operational and maintenance standards you would propose for the agreement and the BURA role and involvement in your achieving these standards.

9. **Organizational Chart**

Please provide a proposed BEC organizational chart as well as a description of the involvement of your parent and affiliated organizations. Please indicate why such affiliate/parent organizations will bring advantageous results to the BEC.

10. **Organization History and Applicability**

Please indicate why your organization is best suited to operate the BEC. Please detail elements such as - booking ability, management standards, community involvement, sponsorship sales and marketing. Please indicate venues you currently manage that support these claims.

**11. Local Operations**

Please indicate who will be your local management team, their individual experience, and why this team is superior to others.

**12. City and Community Relations**

Please indicate specific recommendations/requests you intend to make for city and BURA support in sales, marketing, activation and community relations for the BEC. Please indicate specific city and community programs you would like to institute at the BEC and the resources, internal and external, you will apply to this effort. Additionally, the City would like to undertake community relations efforts in connection with the BEC (examples: High School Sports support; Gold Crown Foundation Youth Basketball efforts) – please indicate your concerns (if any) and your commitment to such efforts.

**13. Teams**

Please indicate whether you would prefer to (a) retain either/both hockey and basketball teams; or (b) enter into a rental agreement for either/both teams with an unaffiliated team owner, recognizing that both (a) and (b) are subject to separate third party negotiations and agreements. Please indicate how you would accommodate a hockey team at the BEC and the material terms under which you would retain a hockey team.

**14. Booking**

Please indicate the type and number of estimated bookings you expect in the next three years.

**15. Financials**

Please provide a proposed 3, 5, and 10 year budget and pro-forma for the BEC. Please include:

- The number of planned events by category and projected attendance.
- Projected capital replacements and related costs.

16. **Additional Venues**

Please indicate all venues within 50 miles of the BEC that you are involved with in any way and how such venue interaction will impact the BEC. Please indicate your willingness to agree in writing not to open or manage another venue between 5000-8000 seats within 50 miles of the BEC for the term of the agreement.

17. **Vendors**

Please indicate the vendors you intend to use and why, and the material terms of such arrangements with such vendors.

18. **Naming Rights**

BEC naming rights may be available for sale. Please indicate who specifically from your organization will sell venue naming rights, what naming rights elements related to the BEC you propose to sell, and your revenue estimates related to potential naming rights transactions. Please indicate your experience in this area related to other venues.

19. **Future Commitments**

Please indicate your ability to commit your local management team to the venue for 3, 5, and 10 years.

20. **Current General Manager**

Gene Felling is currently the acting General Manager of the BEC. Please indicate whether you would like to retain Mr. Felling to continue to act as GM of the venue and on what term (length of commitment only).

21. **Open Building**

What venue rental terms are you willing to agree to for non-affiliated promoters who wish to utilize the venue?

## **22. Terms Sheet on Transaction Structure**

Please include a Terms Sheet, not to exceed three pages, that summarily states the specific terms that the Respondent would recommend for each of the eleven material transaction terms for the BEC Transaction Structure, as those terms are identified on pages 2 and 3 of this RFP. The Terms Sheet should include specific percentages and dollar figures where appropriate and exhibits may be attached to provide additional specificity.

## **23. Alternative Transaction Proposals**

Please describe any alternative transaction structure that you would propose and the reason such alternative transaction structure would be a viable proposal for the BEC and BURA.

## **DOCUMENTS AVAILABLE FROM BURA AND THE CURRENT BEC OPERATOR**

Adopted financing documents, agreements, ordinances, and resolutions concerning the BEC, the BURA Bonds, the Parking Bonds and the Parking Structure are available for inspection from BURA on the City and County of Broomfield website at <http://www.broomfield.org> by clicking on the Broomfield Events Center Request for Operator Proposals link. Operations information and documentation maintained by the Current Operator are available from the Current Operator to respondents who operate at least one venue, comparable in size or larger, than the BEC upon signing a Non-Disclosure Agreement in a form approved by the Current Operator, which Non-Disclosure Agreement is available at <http://www.broomfield.org> by clicking on the Broomfield Events Center Request for Operator Proposals link.

**PROPOSAL REQUIREMENTS**

**Timing:** Interested firms are required to submit an electronic version of their proposal **by 5:00 p.m., April 24, 2009, to [DEhrlich1156@gmail.com](mailto:DEhrlich1156@gmail.com) and [Cozaki@broomfield.org](mailto:Cozaki@broomfield.org). No late proposals will be considered.**

Respondents may request to meet with BURA’s consultant, David Ehrlich, and may request a tour of the BEC. It is anticipated that the BEC tours and in-person meetings will take place the week of March 2, 2009. Respondents should notify David Ehrlich by email of these requests and if alternative dates will be requested.

**Prior to April 16, 2009, RFP questions may be submitted to [DEhrlich1156@gmail.com](mailto:DEhrlich1156@gmail.com). Questions received after 12:00 noon on April 16, 2009, will not be addressed. If an RFP question is material to the content of the RFP or results from ambiguities contained in the RFP or documents supplied to all respondents or BURA desires to issue a clarification on any issue in the RFP, a written reply to such question or clarification will be issued to all respondents in the form of an addendum to the RFP by April 20, 2009. BURA follow up to questions or clarifications will be delivered to all respondents by April 20, 2009, with any further response by respondents to BURA due not later than April 22, 2009.**

**For convenience, the timeline described above is summarized as follows:**

<b>1. BEC tours and in-person meetings</b>	<b>Week of March 2, 2009</b>
<b>2. Respondents questions re: RFP and associated materials</b>	<b>Not later than noon on April 16, 2009</b>
<b>3. BURA’s response to questions and any RFP addendums</b>	<b>By April 20, 2009</b>
<b>4. Final proposals due to BURA</b>	<b>By 5:00 p.m., April 24, 2009</b>

**Relevant Factors for Consideration:** All respondents should respond to each of the RFP Discussion Terms and Questions on pages 8-12 of the RFP. All other information provided in the RFP is crucial to BURA’s ultimate decision with regard to a new operator of the BEC and respondents are encouraged to address all issues outlined in this RFP and to supply detailed information and documentation. Please note that while the economic component of this RFP is a very important element, the long term

commitment to BURA as well as specific and committed community relations efforts are critical as well. BURA is desirous of a long term partnership and significant engagement over such term and will take all RFP factors into account when considering the award of an operations agreement. All costs, terms, and conditions contained in proposals shall remain fixed and valid for one year from the date of the submittal.

**Award Process:** After reviewing each RFP response and any follow up questions, BURA will designate a “lead” candidate as well as one or two “runner-ups”. The lead candidate will have 45 days from the grant of such designation to exclusively negotiate and sign a management agreement/binding term sheet based upon the terms of the candidate’s RFP. Upon the conclusion of the 45 day period, BURA will have the sole right to either extend the negotiation period or enter into an exclusive 45 day negotiation period with the “first runner up.” Upon the conclusion of the “first runner up” negotiating period, BURA will have the sole right to either extend such negotiation period or enter into an exclusive 45 day negotiation period with the “second runner up.” If a lead candidate is designated hereunder, the designee should be prepared to negotiate an agreement with BURA. All contract terms and conditions must be agreed upon by all parties and will be subject to final approval by BURA’s Board. No information should be submitted that is not intended by the respondent to be incorporated into any agreement which may result from such proposal.

ISSUANCE OF THIS RFP BY BURA DOES NOT CONSTITUTE A COMMITMENT BY BURA TO AWARD A CONTRACT. BURA reserves the right to reject any proposals, to make no award under this RFP, to cancel this RFP, and to waive minor irregularities and informalities in proposals received, if it is in the best interest of BURA to do so. Additionally, BURA reserves the right to propose any combination of multiple respondents’ proposals or propose the combination of certain elements of multiple respondents’ proposals in connection with a “lead” bid.

Pursuant to the Colorado Public (Open) Records Act, § 24-72-101 *et seq.* C.R.S., any Proposals submitted in response to this RFP may be public records. If the respondent believes that any information submitted in response to this RFP is confidential trade secret, privileged information, or confidential commercial, financial data or is protected from disclosure for any other reason, the respondent should clearly indicate in writing which information so provided is protected from disclosure and the reason for that protection.

The costs of developing and submitting a Proposal is entirely the responsibility of the respondent and no costs shall be reimbursed by BURA or the City.

**Please note that the grant of the award and approval of an agreement under this RFP is within the sole discretion of the Broomfield Urban Renewal Authority.**

**Questions:** Questions regarding this Request for Proposal may be addressed in writing to David Ehrlich at [DEhrlich1156@gmail.com](mailto:DEhrlich1156@gmail.com). Questions received after 12:00 noon April 16, 2009, will not be addressed. The respondent understands and agrees that it has a duty to inquire about and clarify any questions regarding this RFP that the respondent does not fully understand or believes may be interpreted in more than one way. **NO OTHER CONTACT SHALL BE MADE REGARDING THIS REQUEST FOR PROPOSAL WITH ANY MEMBER OF THE CITY AND COUNTY OF BROOMFIELD, THE BROOMFIELD URBAN RENEWAL AUTHORITY, OR ITS REPRESENTATIVES, OTHER THAN WITH DAVID EHRLICH, GEORGE DICIERO, CHARLES OZAKI, GREG DEMKO, BILL TUTHILL, OR TAMI YELLICO.**

Sincerely,

Charles Ozaki  
Deputy Executive Director of the Broomfield Urban Renewal Authority

David Ehrlich

## ANNEXES

**Annexes are available on the web page or by clicking the links below.**

### ANNEX A - FURNITURE, FIXTURES, AND EQUIPMENT

- [A1 Annex A BEC Equipment BURA Owned](#)
- [A2 Annex A BEC Equipment BSE Owned – BURA considering purchasing](#)

### [ANNEX B - INSURANCE](#)

### [ANNEX C - PARKING](#)