

**Philadelphia Airport System
Food, Beverage, Retail Concession Program
Subleasing Guidelines**

1. **Approval of Subleasing Plan:** Submitted by MarketPlace Redwood, Limited Partnership (MRLP) to City 60 days prior to each lease year. If City and MRLP fail to agree within 60 days, plan is submitted for dispute resolution. Considerations for development of subleasing plan:
 - a. Program Analysis:
 - i. Sales potential
 - ii. Space availability
 - iii. Units required to provide desired level of service
 - iv. Units supported by forecasted enplanements and sales
 - v. Estimated rent
 - b. Space allocation:
 - i. Food and beverage
 - ii. Newsstands
 - iii. Specialty retail
 - iv. Services
 - v. Adjacencies and layout
 - c. Goal-Setting:
 - i. Merchandising/uses
 - ii. Budget
 - iii. DBE participation
 - iv. Local/national brand mix
 - v. Competition/maximize diversity of subtenants
2. **Identification of Prospective Subtenants by MRLP:**
 - a. Desired mix of brands, concepts, and services
 - b. Outreach, research, and networking
 - c. Industry knowledge and relationships
 - d. Direct marketing by prospective subtenants
 - e. MBEC listing of certified DBE vendors
 - f. Encouragement of competition through diversity of subtenant population
3. **Cultivation of Prospective Subtenant Interest:**
 - a. MRLP cold calls
 - b. Meetings and conferences
 - c. Advertising
 - d. Outreach/workshops
 - e. Dissemination of information:
 - i. Sales history

- ii. Passenger enplanements
- iii. Passenger demographics
- iv. Established subtenants already in program

4. Prospective Subtenant Evaluation:

- a. Track record, business history
- b. Financial capacity
- c. Managerial and operational strengths/weaknesses
- d. DBE certification and/or participation
- e. Airport retail experience
- f. Other relevant experience
- g. Provide competition and diversity

5. Proposal Processes:

- a. Proposals invited when appropriate:
 - i. Sent to multiple prospects
- b. Proposals exchanged when appropriate:
 - i. With multiple prospects
 - ii. With single prospect, e.g.:
 - Sole source subtenant (e.g. one-of-a-kind product or service)
 - Existing subtenant renewal
 - Time constraints

6. Selection Process:

- a. Evaluation criteria
- b. Economics
- c. DBE participation/certification
- d. Design
- e. Reputation and experience
- f. Acceptance of sublease terms
- g. Other considerations:
 - i. Desired brand
 - ii. Desired concept, product, or service
 - iii. Enhancement to PHL image
 - iv. Potential impact on other subtenants

7. Negotiation with Selected Subtenant:

- a. Financial terms
- b. Use clause
- c. Construction scope
- d. Term (length of agreement)
- e. Other sublease terms and conditions

8. Approval:

- a. Negotiated sublease submitted to Deputy Director of Aviation for approval prior to execution
- b. Deputy Director confirms:
 - i. DBE certification
 - ii. Law Department review
- c. Deputy Director submits to Director of Aviation for final approval

9. Following Approval, Sublease Executed by MRLP and Distributed