

Section Two - Concept Development

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-area market. Fully explain why you believe this concept will be successful at Sea-Tac.



Qdoba has been operating corporately in the Seattle-Tacoma International Airport under the name Qdoba Mexican Grill® since May 2005. The Brand has been a staple of the local Seattle cuisine since opening the first location on 62nd Street in Issaquah in April of 2001. Today (including Sea-Tac) there are 28 locations open in Washington with several more in development.

Qdoba's menu features Mexican-themed food items including burritos, tacos, salads, and quesadillas. Guests can customize their meals by adding 3-cheese queso, guacamole, and a variety of sauces and salsas without paying an extra charge. All restaurants also offer chips and dips, and a wide selection of soft drinks. Some restaurants also sell beer and margaritas.

Many menu items are priced on a tiered, all-inclusive pricing structure that we believe provides a high price/value perception. Additionally, menu orders are assembled to each customer's specifications. The assembly starts with a steam table section that includes meats, rice, beans and other hot items, and ends with a refrigerated section that includes fresh salsas, lettuce, cheese, sour cream, guacamole and related toppings. Quality and efficiency of employee interaction with customers is emphasized, and viewed as a key element to success.

We are continuing to develop the System, and we are currently undergoing a significant brand reimage. While many aspects of the new design, layout, menu and service features are still being tested, we expect that the new brand image will be significantly different than that at our existing restaurants. A new restaurant design is being implemented into the System in 2016.

For this CEP, Qdoba is proposing the newly created, not yet available to the public, Qdoba Mexican Eats® logo and trade dress for this location. It would be the first airport location in the country to have the new name and trade dress.



The two primary reasons behind the shift from “Mexican Grill” to “Mexican Eats” are: 1) we wanted to use language that is more relevant and sets better expectations for the type of food/menu experience we provide in our restaurants; and 2) we wanted to differentiate ourselves from the competition since most of them use “Mexican Grill” for the category and we learned that it really doesn't mean anything to consumers. As for the overall logo change and new color palette it was meant to signal clear change to the consumer.

By understanding our guests deeply and having them top-of-mind, we can focus on the right things; designing our restaurants, what products we serve, who we attract, and how and where to talk to them as we continue to build our Qdoba Mexican Eats™ Brand.

Our designed target is the “social savorist”. The “social savorist” is a flavor seeker who likes flavorful, innovative, quality food to satisfy their craving and satiate their hunger. They also enjoy social interaction and are always “connected”. A place to congregate with friends and family is also important to the “social savorist”. They like to explore and enjoy new experiences.

Although, menu items at Qdoba are often assemble in **one minute or less**, we are all about the flavor and quality of our food. Our brand is completely dependent on serving our guests high-quality entrées, and making sure those entrées are customized and full of flavor. At Qdoba, we live for flavor.

Qdoba restaurants use fresh, high-quality ingredients in its menu offerings. Fresh produce and meats are delivered to the restaurants. Substantially all of the salsas, vegetable stocks and meat marinades are prepared from scratch by our exclusive suppliers on a daily basis employing our secret recipes, utilizing seven different Mexican peppers in their preparation. Our ingredients are then delivered in prepared form to each location.

2. Provide a merchandise/menu/services list, including proposed pricing.

All prices proposed for this CEP adhere to the airport's Pricing Policy as referenced in the draft lease document. Our menu contains items that cater to dietary restrictions, such as gluten free, vegetarian, and vegan.

The proposed menu and pricing for Sea-Tac is below:

Sea-Tac Proposed Menu and Pricing			
	Corporate Standard	Sea-Tac Proposed	Percent Change
ENTREES			
Price Tier 1			
- Vegetarian, Chicken	7.80	8.50	9.0%
Price Tier 2			
- Grilled Steak, Pork	8.40	9.20	9.5%
TORTILLA SOUP			
Tortilla Soup	3.00	3.30	10.0%
INDIVIDUAL TACOS			
Individual Taco	3.00	3.30	10.0%
AlaCarte			
AlaCarte	5.00	5.50	10.0%

Sea-Tac Proposed Menu and Pricing

	Corporate Standard	Sea-Tac Proposed	Percent Change
BREAKFAST ENTREES			
REGULAR Price Tier 1 - Chicken, Chorizo, Bacon, Egg	4.50	4.90	8.9%
REGULAR Price Tier 2 - Grilled Steak	5.00	5.50	10.0%
LARGE Price Tier 1 - Chicken, Chorizo, Bacon, Egg	7.00	7.70	10.0%
LARGE Price Tier 2 - Grilled Steak	7.70	8.40	9.1%
BREAKFAST COMBOS			
REGULAR Price Tier 1 - Chicken, Chorizo, Bacon, Egg	5.50	6.00	9.1%
REGULAR Price Tier 2 - Grilled Steak	6.00	6.50	8.3%
LARGE Price Tier 1 - Chicken, Chorizo, Bacon, Egg	8.00	8.80	10.0%
LARGE Price Tier 2 - Grilled Steak	8.70	9.40	8.0%
CRAFT TWO			
Craft Two	8.40	9.20	9.5%
QDOBA KIDS MEAL			
Qdoba Kids Meal	4.30	4.70	9.3%
- Kids Burrito Bowl Upcharge	1.00	1.00	0.0%
KIDS INDIVIDUAL QUESADILLA			
Individual Kids Qdilla	3.00	3.30	10.0%
CHIPS			
Chips & Salsa	2.00	2.20	10.0%
Chips & Guacamole	3.00	3.30	10.0%
Chips & Queso	4.00	4.40	10.0%
Side Chip	1.00	1.10	10.0%
DESSERTS			
Cookie	1.00	1.10	10.0%
Brownie	1.70	1.80	5.9%

(the proposed menu is continued below)

Sea-Tac Proposed Menu and Pricing

	Corporate Standard	Sea-Tac Proposed	Percent Change
SIDES			
Side Salsa	0.70	0.75	7.1%
Side Guac	2.00	2.20	10.0%
Side Queso	1.50	1.65	10.0%
Side BBQ	0.70	0.75	7.1%
Side Ranchera	0.70	0.75	7.1%
Side Tortilla	0.50	0.55	10.0%
Side Verde Sauce	1.50	1.65	10.0%
Side Red Chile Sauce	1.50	1.65	10.0%
Side Chipotle Sauce	1.50	1.65	10.0%
Side Black Beans	0.80	0.85	6.2%
Side Pinto Beans	0.80	0.85	6.2%
Side Cilantro Rice	0.80	0.85	6.2%
Side Brown Rice	0.80	0.85	6.2%
KIDS INDIVIDUAL SIDES			
Kids Chips & Salsa	0.80	0.85	6.2%
Kids Applesauce	0.80	0.85	6.2%
Kids Beans & Cheese	0.80	0.85	6.2%
DRINKS			
Regular Drink	1.90	2.05	7.9%
Large Drink	2.20	2.40	9.1%
Drink Refill	0.00	0.00	
Bottled Drink	2.50	2.75	10.0%
20oz Bottle Drink	2.50	2.75	10.0%
20oz Diet Bottle Drink	2.50	2.75	10.0%
Bottled Water	2.20	2.40	9.1%
Vitamin Water	2.50	2.75	10.0%
Mexican Coke	2.30	2.50	8.7%
BREAKFAST DRINKS			
Coffee	1.50	1.60	6.7%
Decaf Coffee	1.50	1.60	6.7%
Coffee Refill	1.50	1.60	6.7%
Milk	1.00	1.10	10.0%
Orange Juice	1.60	1.75	9.4%
KIDS INDIVIDUAL DRINKS			
Kids Soda	1.00	1.10	10.0%
Kids Milk	1.20	1.30	8.3%
Kids Juice	1.20	1.30	8.3%

Qdoba restaurants also offer a wide variety of low fat options to the health-conscious and fat-conscious diners as well as a variety of vegetarian items. No lard or animal fats are used in the cooking process. In addition, heart healthy substitutes, such as low fat sour cream, are available for certain menu items. For nutritional information, please visit:

https://www.qdoba.com/downloads/Qdoba_Nutrition_Info_12-01-2015.pdf.

3. No authorization letter or franchise documents required– Qdoba intends to operate this location corporately.

Summary

- Qdoba Mexican Eats™ is a unique artisanal Mexican concept that combines fast, friendly service, customized menu choices and fresh, delicious flavor. The new Sea-Tac location will be operated as a corporate location, as it is today.
- Our proposed menu is similar to our current menu with additions of items to add new flavors and satisfy the requirements of this solicitation.
- Qdoba commits to continuing its adherence to the Port's 'street pricing policy' as described above in our proposed pricing.

