



Be the Prime: Joint Ventures from A to Z

**Presented by SEPTA's DBE Program Office and
Cheyney University's Diverse Business Supportive Services Center**

Tuesday, October 8, 2019

All Aboard — Greetings From SEPTA



SEPTA Market-Frankford Line



- Sixth largest transit system in the U. S.
- Services include bus, subway, trolley, trackless trolley, and Regional Rail, ADA paratransit and shared ride services
- 1 Million Daily Riders (330 Million rides Annually)
- Services span Bucks, Chester, Delaware, Montgomery, and Philadelphia counties; and extend into New Jersey and Delaware
- One of the region's largest employers with a workforce of more than 9,400 employees
- Budget: \$1.4 Billion Operating and \$750 Million Capital

Saheed Sims

Director

Diverse Business Supportive
Services Center

Cheyney university



Amy C. D'Alonzo-Basehoar, FASME

Director of Marketing Services

KOMAN Holdings, LLC



Clarence LeJeune

President and CEO

LeJeune and Associates, LLC



Ellen Neylan

Founder/Owner

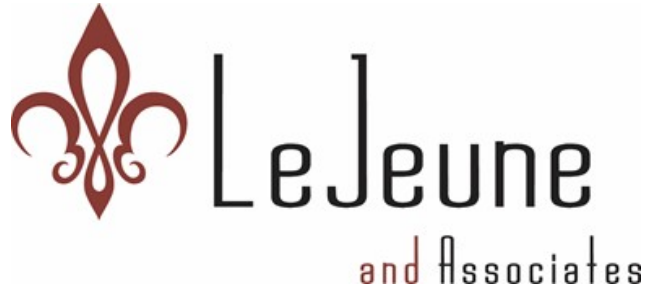
Surety Bond Associates



Shabrei M. Parker

Partner

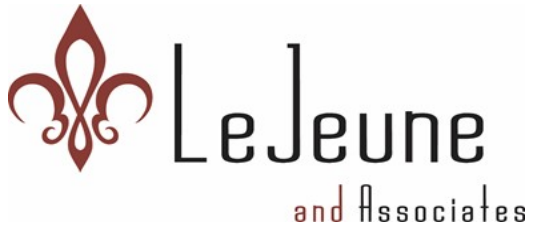
Mincey Fitzpatrick Ross, LLC



A Partner's Perspective
of
Joint Ventures

Clarence LeJeune
President/CEO





About the Firm

- Established in 2013
- Principals - Clarence LeJeune and Melwood Hannah
- More that 50 years of combined retail management experience





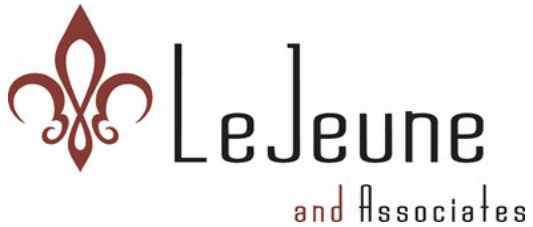
- More than 50 years of combined retail management experience
- Concessions management partners for
 - Philadelphia International Airport
 - Boston Logan International Airport
 - Washington Reagan National Airport
 - Dulles International Airport





DBE/ACDBE/MBE Certifications

- Pennsylvania
- Florida
- Georgia
- Illinois
- Louisiana
- Massachusetts
- New Jersey
- Virginia
- New York
- Port Authority of NY/NJ
- California
- New Jersey
- Tennessee
- Texas
- City of Philadelphia
- Wisconsin



NAICS Codes:

531312 – Nonresidential Property Managers

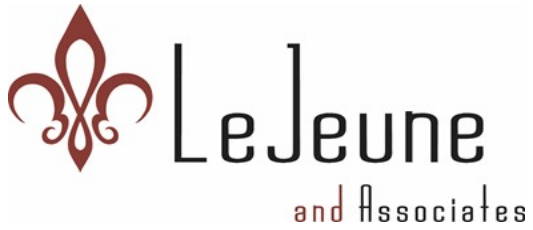
541611 – Administrative Management and General Management Consulting Services

611430 – Professional and Management Development Training

561210 – Facilities Support Services

541614 – Process, Physical Distribution and Logistics Consulting

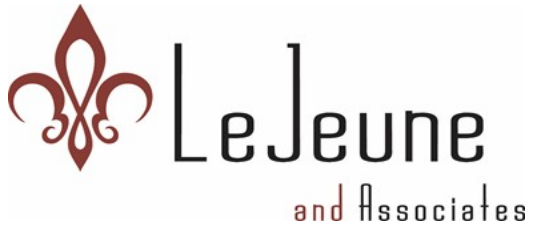
541613 – Marketing Consulting Services



Industry Expertise

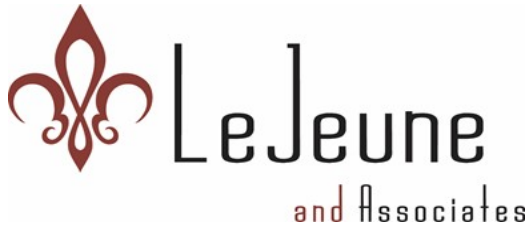
- Airports
- Non-Traditional Retail
- Urban Mixed-Use Retail
- Office Space
- Traditional Retail





Joint Venture/Subcontract Experience

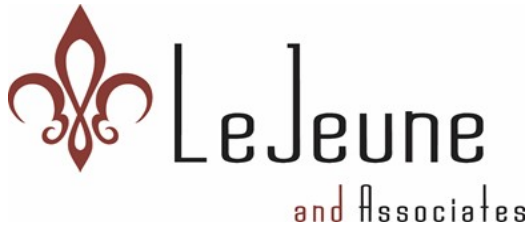
- Joint venture partner since 2014 at PHL
- Subcontractor for professional services at BOS, DCS & IAD
- Management responsibilities at each of these airports include development:
 - oversight, and compliance of joint venture agreements



What is a Joint Venture?

- An association of firms to carry out a single, for-profit business enterprise, for which the parties combine their property, capital, efforts, skills and knowledge, and whose shares in the capital contribution, control, management, risks, and profits of the joint venture are commensurate with their ownership interests.
- It is its own separate legal entity, separate from the participants' other business interests.
- As it is a separate corporate entity, a JV must file taxes

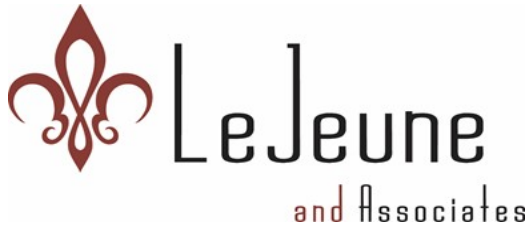




Why form a Joint Venture?

- Shared resources and shared risks
- Separates the risk from each independent business
- Typically temporary and project-specific arrangement
- There may be diversity advantages
 - In SBA's 8(a) program
 - Federal Aviation Administration's Airport Concession
- Disadvantaged Business Enterprise (ACDBE) programs





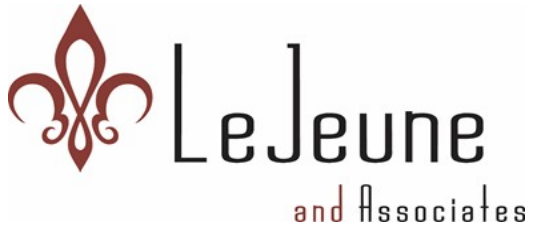
What are the Trickiest Parts of a Joint Venture?

- Capitalization– Initial and future capital needs
- Trust– Will everyone perform their roles?
- Decision-making authority
- Distribution of profits/determination of net cash flow
- Ending it
- For diversity goals, demonstrating that the M/W/D/ACDBE is performing in accordance with the JVA
 - Risks, rewards, effort



Your Role in Reviewing Your Joint Venture

- It is a legal document, forming a new company
- JVs should be reviewed for –
 - Legal Exposure Minimization
 - Calculation of when/if you will see profit
 - Compliance with applicable regulations (i.e. DBE/ACDBE regs.)
- Agreements are made for when parties do not agree
- Read each term as if doomsday is happening
- Beware of “this never happens” or “we’ve never implemented that” statements
- Best practice is to have a trusted business advisor review



Considerations for Identifying Good Partners

- Complimentary (not competing) goods/services
- Available resources
- Similar culture and values
- Proven track record
- Financial stability
- Communication styles
- Verified diversity credentials

Date -- before you propose and marry!



A certified ACDBE (Airport Concessions Disadvantaged Business Enterprise), LeJeune and Associates, LLC represents more than 50 combined years of management experience in retail environments such as airports, urban retail centers, hotels, offices and mixed-used projects. LeJeune and Associates delivers a wide range of experience in property management, from revenue generation, to leasing and marketing, and the successful completion of on-schedule construction projects.

LeJeune and Associates is responsible for onsite management of airport concessions programs, including day-to-day operations and retail management, common area maintenance, marketing and customer service, ACDBE compliance, distribution and delivery, tenant relations, street pricing compliance, minimum wage and benefits standards compliance, and tenant coordination and design. They partner to manage the food and retail programs at Philadelphia International Airport, Dulles International Airport, Reagan National Airport, and Boston Logan International Airport. These combined projects represent nearly 500,000 square feet of specialty retail and food and beverage operations, as well as over \$500 million in annual sales.

The company is led by Clarence LeJeune, Chief Executive Officer (CEO), and Melwood L. Hannah, Executive Vice President.

Thank You!

Thank You! Questions?

