

ORDINANCE/RESOLUTION REQUEST

All Fields must be completed

Incomplete request forms will be returned to sender which may cause a delay in processing.

Date of Request: October 19, 2023

Please mark one: **Bill Request** or **Resolution Request**

1. Type of Request:

- Contract/Grant Agreement** **Intergovernmental Agreement (IGA)** **Rezoning/Text Amendment**
 Dedication/Vacation **Appropriation/Supplemental** **DRMC Change**
 Other:

2. Title: Approves a lease agreement with Air General, Inc (Air General), for facility lease in the Joint Use Cargo Building, for rates and charges, expiring on 12/31/2025.

3. Requesting Agency: Department of Aviation

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: George Karayiannakis, SVP - Airline and Commercial Affairs	Name: Rita Aguilar, Rachel Gruber, Barry Burch Jr.
Email: George.Karayiannakis@flydenver.com	Email: Rita.Aguilar@flydenver.com , Rachel.Gruber@flydenver.com , Barry.Burch@flydenver.com

5. General description or background of proposed request. Attach executive summary if more space needed:

This request is for a lease agreement between Air General Inc. (Air General) and Denver International Airport (DEN). Air General leases 16,777 sq. ft. of physical warehouse space in the Joint Use Cargo building and 54,488 sq. ft. of ground space used for Air General operations including the transport of cargo by passenger airlines. This space is located on DEN's south campus. With the expiration of the initial contract, this lease will provide Air General a new term for the existing facility which they currently occupy. Air General is a cargo handler serving several passenger airlines at DEN; to include, but not limited to British Airways, Delta Airlines and American Airlines.

Airline rates and charges are established on "cost recovery" concepts whereby the annual cost of operating DEN forms the basis for the rate, fee, or charge assessed to the airlines. The Airport recalculates airline rates and charges each year based on its operating budget, debt service, amortization and projected aviation activity levels and reconciled at year-end based on actuals "true-up." The airline/airport use and lease agreement specifies the types of costs that are used to calculate airline rates and charges. Examples of rates and charges include landing fee (fee for every time a plane lands on the runway), Terminal Complex rental rate (Per square foot rate to lease space in the Terminal (e.g., office, holdroom, ticketing)), concourse ramp, fee to recover the cost of leasing the ramp area associated with a gate, Automatic Guideway Transportation System (Passenger fee to use the train system between the terminal and concourses).

6. City Attorney assigned to this request (if applicable): David Steinberger

7. City Council District: Eleven (11)

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____

8. ****For all contracts, fill out and submit accompanying Key Contract Terms worksheet****

Key Contract Terms

Type of Contract: Property Lease

Vendor/Contractor Name: Air General, Inc.

Contract control number: PLANE-202266283

Location: Denver International Airport

Is this a new contract? Yes No **Is this an Amendment?** Yes No **If yes, how many?** _____

Contract Term/Duration (for amended contracts, include existing term dates and amended dates): Expiration is 12/31/2025.

Contract Amount (indicate existing amount, amended amount and new contract total):

<i>Current Contract Amount</i> (A)	<i>Additional Funds</i> (B)	<i>Total Contract Amount</i> (A+B)
N/A	N/A	Rates & Charges

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
N/A		12/31/2025

Scope of work:

This request is for a Support Facilities Lease Agreement between Air General Inc. (Air General) and the City and County of Denver at Denver International Airport. Air General leases 16,777 sq. ft. of space in the Joint Use Cargo building and 54,488 sq. ft. of ground space. This lease will provide them with a new term for the facility they occupy. Air General is a cargo handler serving several passenger airlines at Denver International Airport (DEN); e.g., British Airways, Delta Airlines and American Airlines. They lease space at the Joint Use Cargo Building to handle belly cargo.

Airline rates and charges are established on “cost recovery” concepts whereby the annual cost of operating DEN forms the basis for the rate, fee, or charge assessed to the airlines. The Airport recalculates airline rates and charges each year based on its operating budget, debt service, amortization and projected aviation activity levels and reconciled at year-end based on actuals “true-up.” The airline/airport use and lease agreement specifies the types of costs that are used to calculate airline rates and charges. Examples of rates and charges include landing fee (fee for every time a plane lands on the runway), Terminal Complex rental rate (Per square foot rate to lease space in the Terminal (e.g., office, holdroom, ticketing)), concourse ramp, fee to recover the cost of leasing the ramp area associated with a gate, Automatic Guideway Transportation System (Passenger fee to use the train system between the terminal and concourses).

Was this contractor selected by competitive process? No **If not, why not?** This is an airline support contract. Per FAA (Federal Aviation Administration) rules, airports are required to service airlines, and therefore the competitive process rules do not apply.

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Has this contractor provided these services to the City before? Yes No

Source of funds: N/A – only applies to expense contracts.

Is this contract subject to: W/MBE DBE SBE XO101 ACDBE N/A
Due to this being a Revenue Contract, Goals do not apply.

WBE/MBE/DBE commitments (construction, design, Airport concession contracts): N/A

Who are the subcontractors to this contract? N/A

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