

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at MileHighOrdinance@DenverGov.org by **9 a.m. Friday**. Contact the Mayor's Legislative team with questions.

Please mark one: ☐ Bill Request or ☒ Resolution Request

Date of Request: 12.xx.2023

1. Type of Request:

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

2. **Title:** Approves a Use and Lease Agreement with Delta Air Lines Inc. (Delta) applying rates and charges and for a term with an end date of February 28, 2035, and leasing space and gates at Denver International Airport (DEN) (PLANE-202370263).

3. **Requesting Agency:** Department of Aviation

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution (e.g., subject matter expert)	Contact person for council members or mayor-council
Name: George Karayiannakis, SVP Airline and Commercial Affairs	Name: Kevin Forgett, Manager of Legislative Affairs
Email: George.Karayiannakis@flydenver.com	Email: Kevin.Forgett@flydenver.com

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

This request is for a new Use and Lease Agreement (ULA) allowing Delta to remain a signatory carrier at DEN for a term which would become co-terminus with both United and Southwest, ending on February 28, 2035. The current contract expires December 31, 2024, and this new agreement replaces that and updates the lease exhibits for Delta, including changes driven by the Great Hall, Concourse Expansion programs and the expansion of Delta's SkyClub at DEN. As part of Delta's SkyClub expansion, at its sole cost, replace the United Service Organization's Lounge (USO), building a new lounge for eligible service members and their families.

To be classified as a Signatory air carrier, an airline must execute a Use and Lease Agreement with DEN and meet certain criteria set forth in DEN rules and regulations. Based on their commitment to DEN, Signatory air carriers pay reduced rates and charges. DEN currently has 23 passenger air carriers, of which 17 are seeking to continue their signatory status. Three carriers have long term signatory agreements through 2035, United, Southwest and Frontier. Three airlines are considered non-signatory carriers. DEN recently gained two new international airlines and we are working on their signatory agreements to send to council shortly.

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 specify 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:** District 11

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

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____

Key Contract Terms

Type of Contract: Use and Lease Agreement

Vendor/Contractor Name (including any dba's): Delta Air Lines Inc.

Contract control number (legacy and new): PLANE-202370263

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):

January 1, 2024, to February 28, 2035

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

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

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
January 1, 2024, to February 28, 2035	N/A	February 28, 2035

Scope of work: This request is for a new Use and Lease Agreement (ULA) allowing Delta to remain a signatory carrier at DEN for a term of ten years. The current contract expires December 31, 2024, and this new agreement replaces that and updates the lease exhibits for Delta, including changes driven by the Great Hall, Concourse Expansion programs and the expansion of Delta's SkyClub at DEN. As part of Delta's SkyClub expansion, at its sole cost, replace the United Service Organization's Lounge (USO), building a new lounge for eligible service members and their families.

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Was this contractor selected by competitive process? No **If not, why not?** This procurement qualifies for the situation where competition does not exist exception under Memorandum No. 8B and will not be competitively procured.

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

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____

Source of funds: Revenue

Is this contract subject to: ☐ **W/MBE** ☐ **DBE** ☐ **SBE** ☐ **XO101** ☐ **ACDBE** ☒ **N/A**

"No goals were assigned to this project due to Memorandum No. 8B."

WBE/MBE/DBE commitments (construction, design, Airport concession contracts): No goals were assigned to this project due to Memorandum No. 8B.

Who are the subcontractors to this contract? Not applicable.

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