



GREAT HALL COMPLETION PROJECT BIZ COMMITTEE UPDATE

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OCTOBER 7, 2020

AGENDA

- Preparing DEN for the Future
- COVID-19 Impact
- Project Status Update:
 - Budget
 - Phase 1 Construction Progress
- Transparency and Communication
- Phase 2 Scoping Update
- Next Steps



PREPARING FOR THE FUTURE

- S&P affirmation of DEN's A+ long-term bond rating:
 - "The ratings reflect DEN's very strong enterprise risk profile and strong financial risk profile." – S&P Report, August 24, 2020



COVID-19 IMPACTS

2020

APRIL 2020

 **96%**
Passenger Traffic
OVER 2019

 Traffic Increasing
1-2%
PER WEEK

SEPTEMBER 2020 O&D

 **55%**
Passenger Traffic
OVER 2019

PROJECTED REVENUE DECLINE OF

 **\$350-\$400 Million**
COMPARED TO 2020 BUDGET

32-34 Million

2020 PROJECTED PASSENGER TRAFFIC



14 Airlines

CURRENTLY OPERATING



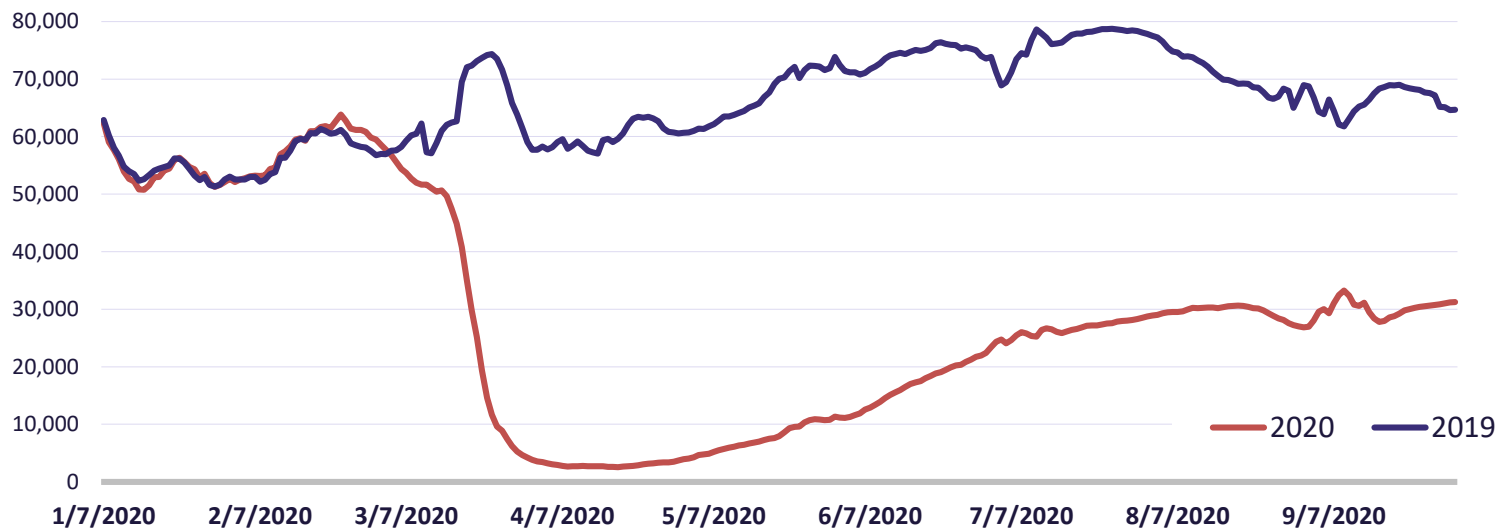
160+

DESTINATIONS

TSA THROUGHPUT IN DENVER

- TSA throughput in Denver this week was -52% compared to the same period in 2019
- DEN's throughput has been consistently 10-15% above the national average

Denver 7 Day Average TSA Security Checkpoint Throughput
 January 7, 2020 – October 1, 2020 (vs. days of week in 2019)



COVID IMPACTS ON THE GREAT HALL PROJECT

- Strict health, hygiene and safety measures in place
- Accelerated project work due to reduced passenger traffic
- Layout re-examined through pandemic lens to ensure future flexibility
- Uncertainty created by pandemic requires adaptability and financial prudence



TERMINATION AND TRANSITION

- Terminated Development Agreement on August 12, 2019
- DEN took control at the end of the 90-day transition period
- DEN managed the project from November through March 5, 2020 with MBE Sky Blue Builders
- City Council approved contracts for completion of Phase 1 and planning for next phase in late 2019 and early 2020:
 - Sky Blue Builders (MBE) – transition work
 - Hensel Phelps - Phase 1 construction
 - Jacobs Engineering – program management team
 - LS Gallegos (MBE) – project management support
 - Stantec Architecture – design and engineering
 - Gilmore Construction (MBE) – Central Monitoring Facility completion

PAST WORK AND TERMINATION PAYMENTS



Design & Construction Work with Former Developer (rounded)

- DEN Progress Payments (design & construction paid by DEN) \$88.7M
- DEN Contingency Expended (cost of owner design changes) \$5.3M
- DEN Project Support/Professional Services \$11.6M

Termination-Related Payments (rounded)

- Net Lender Liability (design & construction paid by developer) \$90.4M
- Equity, Breakage Costs (equipment/materials), Transition Costs \$49.3M

Total Budget Expended in Past Work & Termination (rounded) \$245.4M

CURRENT BUDGET – PHASE 1

DEN-led Design & Construction

\$354.7M

- Construction Progress (Sky Blue, Hensel Phelps)
- Central Monitoring Facility (TSA project, Gilmore)
- Design & Engineering Services (Stantec)
- Program Management Support (Jacobs)
- Special Systems (WiFi, security cameras, other technology)
- Automated check-in and bag drop equipment
- Misc. (Signs, Art, Permits, Insurance, Hazardous Materials)
- Airline Relocations
- DEN Budget Contingency (held for unexpected costs)

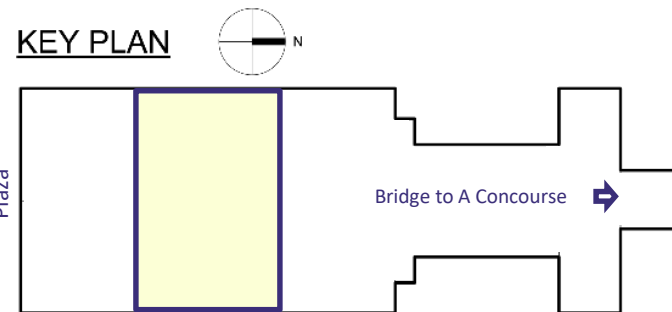
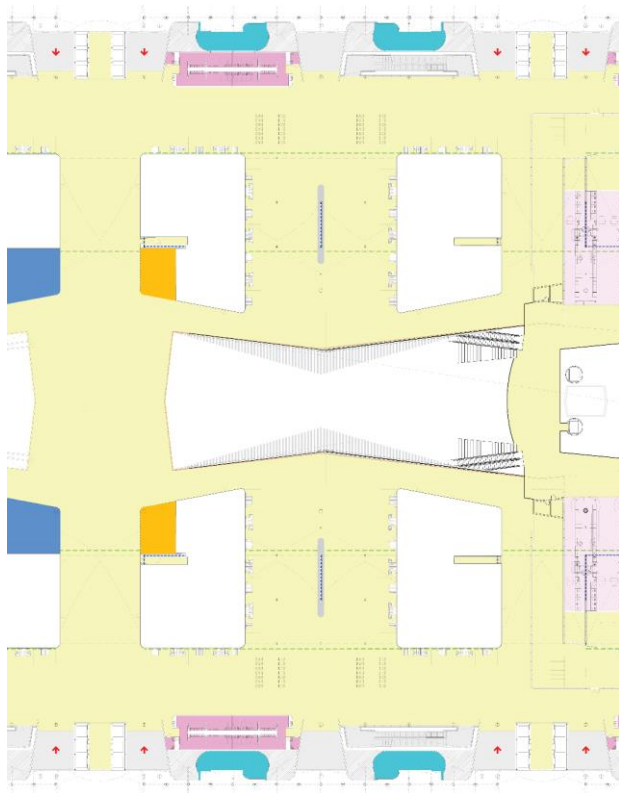
Total D&C Budget	\$770.0M
Past Work	-\$245.4M
Phase 1 Budget	-\$354.7M
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Remaining (Projected)	\$169.9M

WORK TO BE COMPLETED IN PHASE 1

- Expand and buildout Level 6, central area ticket lobby
- Widen balconies for future passenger circulation
- Add restrooms
- Refresh finishes



TERMINAL, 6TH FLOOR – PHASE 1

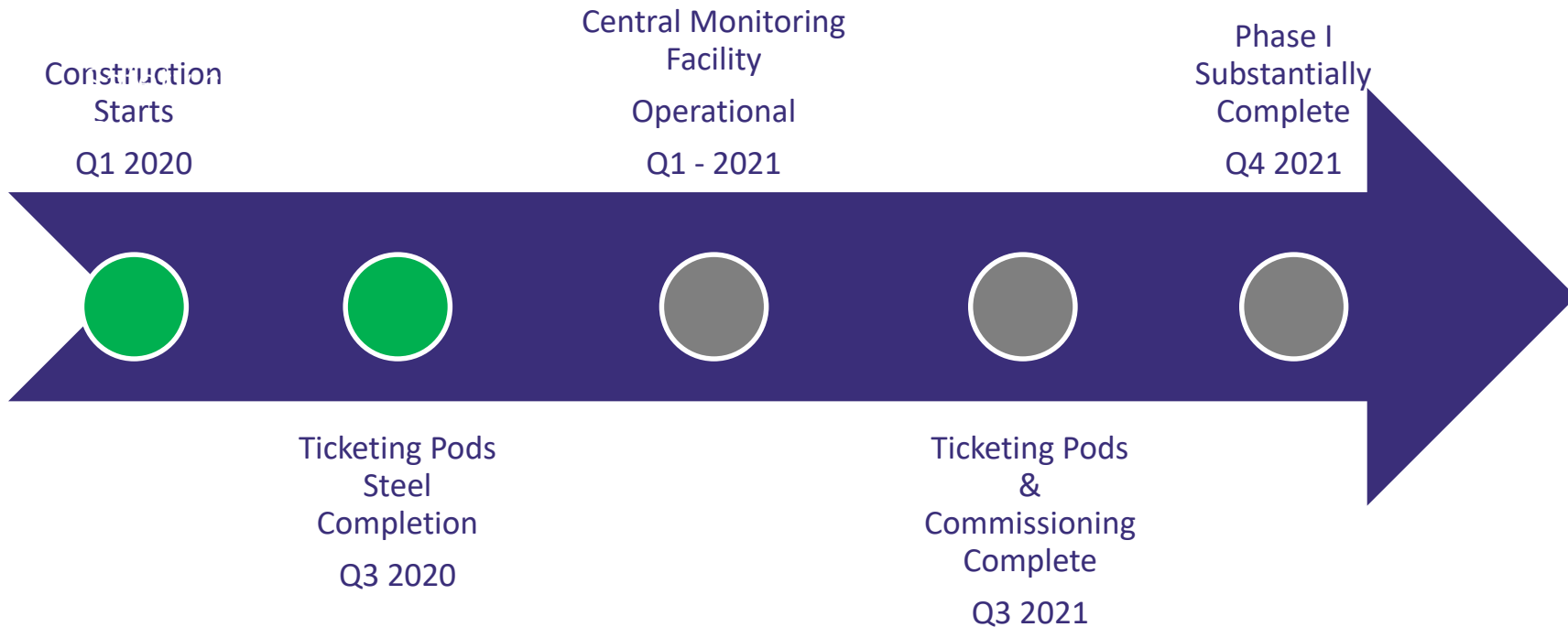


PHASE 1 PROJECT STATUS

- Essential foundation for future phases
- Targeting year end 2021 completion
- Within Phase 1 \$195M construction budget
- Accelerated construction due to lower passenger volumes
 - Transitioned from night crew 5 days/week to day crew 6 days/week
- Improving MWBE participation and workforce program involvement



PHASE 1 MILESTONES



PHASE 1 PROJECT STATUS CONTINUED

COMPLETE	Meeting Expectations	Within Threshold	Over Threshold
In Progress	Meeting Expectations	Within Threshold	Over Threshold

15.2% SCHEDULE COMPLETE	
PHASE 1 START	Q1 2020
TICKET POD STEEL COMPLETION	Q3 2020
CENTRAL MONITORING FACILITY (CMF) COMPLETE	Q1 2021
TICKET POD COMPLETION	Q3 2021
COMMISSIONING	Q3 2021
SUBSTANTIAL COMPLETION	Q4 2021

4.3% COST EXPENDED		
BUDGET	ESTIMATE AT COMPLETION	PAID TO DATE
\$195M	\$195M	\$8.4M

M/WBE PARTICIPATION	
DESIGN GOAL	PROJECTED
35%	34%
CONSTRUCTION GOAL	PROJECTED
18%	18%

WORKFORCE PROGRAM	
APPRENTICESHIP HOURS	NUMBER OF OUTREACH EVENTS
CURRENTLY AT 9.1% (TARGET 5%)	24 COMPLETED

SAFETY PERFORMANCE	
LOST TIME INCIDENT RATE	SAFE WORK HOURS
1.35	148,330 Man-Hours

- Updated monthly
- https://www.flydenver.com/greathall_dashboard

CONSTRUCTION CERTIFIED FIRM UTILIZATION



MWBE

- MWBE goal: **18%** **Hensel Phelps MWBE Goal Attainment to-date: 13%**
- Outreach events:
 - Events Hosted to date: 5
 - Industry/community Meetings/Events Attended: 35+
- Great Hall mentor/protégé program initiated
- 100% MWBE Utilization Opportunity
- Public Facing Dashboard activated

CONSTRUCTION CERTIFIED FIRM UTILIZATION



WORKFORCE

- **Hensel Phelps Goal Attainment to date: 10%**
- Workforce Apprenticeship goal: 5%
- Workforce Outreach:
 - Events Hosted/Co-Hosted: 2
 - Industry/community Meetings/Events Attended: 30+
- Apprenticeship Transportation Support: RTD/Gas Cards issued weekly
- Active Partnerships: WorkNOW, Construction Careers Now, Hispanic Contractors of Colorado

PASSENGER CHECK-IN EXPERIENCE



PASSENGER CHECK-IN EXPERIENCE



CONSTRUCTION PROGRESS



11 Months Ago



Now

CONSTRUCTION PROGRESS



11 Months Ago



Now

TRANSPARENCY AND COMMUNICATIONS

- Great Hall Newsletter
- Program dashboard
- Community Outreach
 - DEN Talks and Tours, tours both in-person and virtual/video tour
 - Community road show in partnership with Council Districts
- Council Outreach
 - Messaging for Council newsletters
 - One-on-one briefings
 - Standing offer of project tour to all councilmembers
- Monthly council office hours



PHASE 2 SCOPING UPDATE

- Delivering a project that:
 - Improves security of TSA checkpoints in the Terminal
 - Meets passenger growth demands
 - Enhances passenger experience
- Only evaluating options that make security safer than it is today and within \$770M
- Meeting with airlines to solicit feedback and work through operational challenges/impacts
 - DEN and airlines have not yet reached alignment



PHASE 2 PRIORITIES

- Improve safety and security of checkpoint and security processes
- Provide long-term capacity and growth balanced with gate expansion
- Deliver next phase within remaining budget
- Optimize operational continuity during construction
- Enhance passenger flows and experience
- Ensure next steps do not preclude future expansion / operational needs



PHASE 2 OPTIONS

- Major part of the original project was relocating the security checkpoints
- Not able to move both security checkpoints due to budget constraints
- Considering various options regarding the security checkpoint:
 - Maintaining the checkpoints in their current location and adding protective measures
 - Relocating one checkpoint and adding protective measures to the checkpoint that remains on Level 5
- Potential safety measures include:
 - Increased mezzanine security above checkpoints
 - Erecting taller barrier walls
 - Enhanced security system
 - Other protective measures

CONCESSIONAIRES PREVIOUSLY SELECTED

- Former developer awarded six locations in the Great Hall to four concessionaires
- Honoring our commitment to these concessionaires:
 - Four concessionaires will be given locations in either Great Hall or concourse
 - Locations determined after project scope for Phase 2 is finalized and approved
- Anticipate reaching out to these concessionaires regarding contracts for new locations in Q-1 of 2021



NEXT STEPS

- Finalize Phase 2 scope
- Negotiate contract amendment with Hensel Phelps
- Bring contract amendment with Hensel Phelps for Phase 2 and self-bag drops (Materna) to Council
- Work with concessionaires selected by former developer to determine locations, timeline for buildout and put new contracts in place



DENVER INTERNATIONAL AIRPORT

