

## 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: 7/18/2017

Please mark one:  Bill Request or  Resolution Request

1. Has your agency submitted this request in the last 12 months?

Yes  No

If yes, please explain:

2. **Title:** Contract execution with Denver Great Hall LLC to design, construct, finance, operate, and maintain certain areas within levels 5 and 6 of Jeppesen Terminal. (Contract Control #201735867)

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

4. **Contact Person:**

- **Name:** Aaron Barraza
- **Phone:** (303) 342-2261
- **Email:** [Aaron.Barraza@flydenver.com](mailto:Aaron.Barraza@flydenver.com)

5. **Contact Person:**

- **Name:** Gisela Shanahan
- **Phone:** (303) 342-2458
- **Email:** [Gisela.Shanahan@flydenver.com](mailto:Gisela.Shanahan@flydenver.com)

6. **General description of proposed ordinance including contract scope of work if applicable:** The proposed Development Agreement governs the Public-Private Partnership between DEN and Denver Great Hall LLC (Developer). The Developer will design, construct, and finance the redevelopment of Levels 5 and 6 of the Terminal and the corridor from the Terminal towards Concourse A, which includes the airline ticket lobbies, passenger screening checkpoint (TSA), concessions space, baggage claim area, and all associated public circulation space for a guaranteed price and schedule.

The total project cost to design and construct the project is \$650-770 million This includes a large owner's contingency (\$120M) to cover potential industry changes in the next 4 years. DEN will pay 74% of the project cost (\$479 M) and GHP will pay 26% (\$171M), which reflects the large amount of construction for areas that DEN, not GHP, will operate. The first four years of the contract will cover this design and construction phase. Once the construction of these areas is complete, the airline ticket lobbies, passenger screening checkpoint, baggage claim area, and much of the associated public circulation space will be operated and maintained by the City.

Once construction is complete and accepted by DEN, DEN will begin annual supplemental payments to the Developer to reimburse financing, as well as operations and maintenance costs of \$24 million (indexed) annually. The Developer will operate and maintain the concessions space and designated areas on Levels 5 and 6. The airport will receive 80% of the concession revenues and 100% of the other terminal revenue such as airlines, rental car, corridor to A bridge, etc. The Developer will receive 20% of concession revenues. This is for a 30-year operating period.

Payments during these two phases cannot exceed the total MAXIMUM contract amount of \$1.8 B. (Exact dollar amounts may vary slightly due to rounding and will be finalized at financial close in September 2017). DEN is an independent enterprise of the City and this project will not expend tax payer dollars and will not affect the City's General Fund.

a. Contract Control Number: 201735867

b. **Duration:** 34 years

c. **Location:** DEN

d. **Affected Council District:** 11

e. **Benefits:** Denver Great Hall LLC will design, construct, finance, operate, and maintain certain areas within levels 5 and 6 of Jeppesen Terminal. DEN's partnership with Denver Great Hall will last 34 years, the terms of which are governed by a comprehensive Development Agreement. This agreement provides opportunity to partner with private sector firm to

*To be completed by Mayor's Legislative Team:*

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utilize their creativity, expertise, and capital, transfer risk, and provides a shorter delivery time at a guaranteed project cost.

**f. Costs:**

Project Design Construction: \$650 - \$750 million includes \$120 million Owner's Contingency  
Annual Supplemental Payments: Financing \$14.8 million annually | O&M: \$9 million annually  
Maximum Contract Amount: \$1.8 billion

<i>Current Contract Amount</i> (A)	<i>Additional Funds</i> (B)	<i>Total Contract Amount</i> (A+B)
\$1.8 billion		\$1.8 billion

  

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
34 years	n/a	34 years

**g. Date Goals Assigned:** 6/20/2017

**h. Goals:** M/WBE: Design 33% Construction 18% ACDBE: 26%

**7. Is there any controversy surrounding this ordinance? (Groups or individuals who may have concerns about it?) Please explain.**

**Key Contract Terms**

Type of Contract:

- Professional Services > \$500K     Lease     Design or Construction for airport improvements > \$5M  
 Grant     IGA     Sale of Real Property     Sale of Personal Property

Vendor/Contractor Name: Denver Great Hall LLC

Contract control number: 201735867

City's contract manager: Stu Williams

Was this contractor selected by competitive process? Yes, Denver Great Hall LLC was selected as a result of the Great Hall Project RFP, issued on February 24, 2016. Three teams (all of whom had been short-listed through a prior RFQ process) responded to the RFP, and Denver Great Hall LLC was recommended by a highly sophisticated selection panel as the best apparent proposer.

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

Term/Duration of contract/project: 34 years

Is this a new contract?  Yes  No    Is this an Amendment?  Yes  No    If yes, how many? \_\_\_\_\_

Renewal terms: N/A

Purpose: Decrease security and safety vulnerability, increase security throughput at security checkpoints by 50% to 70%, increase terminal capacity from 50 to 81 million annual passengers, upgrade and replace critical systems (mechanical and electrical), upgrade facility (escalators, elevators, restrooms, ticketing, and screening

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technology), repurpose underutilized and inefficient ticket lobby space, increase concession space to accommodate projected passenger growth, and enhance passenger experience (both pre- and post-security).

Cost/value:

Project Design Construction: \$650 - \$750 million includes \$120 million Owner's Contingency  
Annual Supplemental Payments (indexed): Financing \$14.8 million annually | O&M: \$9 million annually  
Maximum Contract Amount: \$1.8 billion

Contract Amount: \$1.8 billion

Source of funds: Airport Capital Funds

Benefit: Denver Great Hall LLC will design, construct, finance, operate, and maintain certain areas within levels 5 and 6 of Jeppesen Terminal. DEN's partnership with Denver Great Hall will last 34 years, the terms of which are governed by a comprehensive Development Agreement. This agreement provides opportunity to partner with private sector firm to utilize their creativity, expertise, and capital, transfer risk, and provides a shorter delivery time at a guaranteed project cost.

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

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

M/WBE: Design 33% Construction 18% ACDBE 26%

Who are the subcontractors to this contract?

Location: DEN

Affected Council District: 11

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