

# 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: December 21, 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 Use and Lease Agreement with Aeroenlaces Nacionales, S.A. de C.V. d.b.a “Viva Aerobus” (Viva Aerobus) applying rates and charges and for a term of one year with 2 one-year extension options and leasing space at Denver International Airport (DEN) (PLANE -202370552).

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: Kevin Forgett, Manager of Legislative Affairs
Email: <a href="mailto:George.Karayiannakis@flydenver.com">George.Karayiannakis@flydenver.com</a>	Email: <a href="mailto:Kevin.Forgett@flydenver.com">Kevin.Forgett@flydenver.com</a>

## 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) with Aeroenlaces Nacionales, S.A. de C.V. d.b.a “Viva Aerobus” (Viva Aerobus) to allow Viva Aerobus to be a signatory carrier at DEN for a term of one year with 2 one-year extension options. With this agreement, DEN will lease Viva Aerobus 236.5 square feet of office space in the terminal to support flight operations.

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 18 are seeking to continue their signatory status. Three carriers have long term signatory agreements through 2035, United, Southwest and Frontier. Two airlines do not qualify for signatory status. 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:** 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:** Aeroenlaces Nacionales, S.A. de C.V. d.b.a “Viva Aerobus” (Viva Aerobus)

**Contract control number:** PLANE -202370552

**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 December 31, 2024 with 2 one-year extension options

**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)
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 December 31, 2024 with 2 one-year extension options	N/A	January 1, 2024 to December 31, 2024 with 2 one-year extension options

### Scope of work:

This request is for a new Use and Lease Agreement (ULA) with Viva Aerobus to allow Viva Aerobus to be a signatory carrier at DEN for a term of one year with 2 one-year extension options. With this agreement, DEN will lease Viva Aerobus 236.5 square feet of office space in the terminal to support flight operations.

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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

**Source of funds:** Revenue

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

**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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