

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

Date of Request: June 27, 2024

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 (ULA) with Amazon.com for Rates and Charges and for three years with two one-year options to extend, to provide Cargo Services at Denver International Airport (DEN) (PLANE-202473818).

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:

Amazon.Com Cargo operations would like to enter into a Use and Lease Agreement at the DEN Joint Use Cargo facility. The term would be (3) three years with an option of (2) two (1) one-year extensions. This would include over 31,000 square feet of building space, along with over 60,000 square feet of ground space, located at 7645 Undergrove St, Denver Colorado and over 113,000 square feet of ground lease for a vehicle staging lot at DEN, located at 6975 Valleyhead St Denver Colorado. Denver International Airport is a leader when it comes to the ability to move and handle large volumes of air cargo, making the airport an asset to companies that require steady and reliable shipments of materials and components from overseas. DEN is home to several world-class cargo movers and support facilities, including DHL, UPS, FedEx., as well as several carriers flying for Amazon Air. Further development of cargo operations is a strategic objective for DEN, identified in the Vision 100 pillar, Expanding Global Connections. As Denver grows as a city, our Cargo Carriers support that economic growth through the arriving and departing commodities, businesses in our community need.

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).

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.

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

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: (e.g., Professional Services > \$500K; IGA/Grant Agreement; Sale or Lease of Real Property):
Use and Lease Agreement

Vendor/Contractor Name (including any dba's): Amazon.com Services, LLC, Amazon.com

Contract control number: PLANE-202473818

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):
(3) Three years with (2) two (1) one-year optional extension

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>
three years with two one-year options to extend	N/A	three years with two one-year options to extend

Scope of work:
Amazon.com to provide Cargo services at Denver International Airport.

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

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?
NA

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