

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: **3-20-2025**

Please mark one: Bill Request or Resolution Request

Please mark one: The request directly impacts developments, projects, contracts, resolutions, or bills that involve property and impact within .5 miles of the South Platte River from Denver's northern to southern boundary? (Check map [HERE](#))

Yes No

1. Type of Request:

Contract/Grant Agreement Intergovernmental Agreement (IGA) Rezoning/Text Amendment

Dedication/Vacation Appropriation/Supplemental DRMC Change

Other:

2. Title: Approves a lease agreement with Delta Airlines, Inc., for rates and charges and for three years with three one-year options to extend, for a facility lease in the UPS South Cargo Ground Service Support portion of the South Cargo Building at Denver International Airport, in Council District 11 (PLANE-202263655).

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, Senior Vice President - 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 lease agreement between Delta Airlines, Inc., and Denver International Airport (DEN). Delta Airlines leases 8,175.3 sq. ft. of physical warehouse space in the UPS South Cargo building and 23,175.3 sq. ft. of ground space for use by Delta Airlines to service and maintain Ground Service Equipment (GSE) used for Delta Airlines operation. This space is located on DEN’s south campus. With the expiration of the initial contract, this lease will provide Delta Airlines a new term for the existing facility which they currently occupy.

Denver International Airport (DEN) is a leader when it comes to safe and reliable ground service equipment for the Airlines and other airport partners. Delta Airlines Inc (GSE) provides high quality maintenance services, ensuring the equipment is safe and functional to provide the required ground services for Delta Airlines, to include ramp operations, deicing operations, catering and cargo services. Continuous ground equipment maintenance is necessary and a strategic objective for DEN, identified in the Vision 100 pillar, Expanding Global Connections. As Denver grows as a city, our Airline equipment services supports 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

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airline/airport use and lease agreement specifies the types of costs that are used to calculate airline rates and charges, including for example, rates and charges for landing fee (fee for every time a plane lands on the runway).

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

7. **City Council District:** Eleven (11)

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

Key Contract Terms

Type of Contract: Property Lease

Vendor/Contractor Name: Delta Airlines, Inc.

Contract control number: PLANE-202263655

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): Expiration will be three years from date of execution, with (3) three – (1) one-year options to extend.

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 & Charges	N/A	Rates & Charges
<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
three years with three one-year options to extend	N/A	three years with three one-year options to extend

Scope of work:

This request is for a lease agreement between Delta Airlines, Inc., and Denver International Airport (DEN). Delta Airlines leases 8,175.3 sq. ft. of physical warehouse space in the UPS South Cargo building and 23,175.3 sq. ft. of ground space for use by Delta Airlines to service and maintain Ground Service Equipment (GSE) used for Delta Airlines operation. This space is located on DEN’s south campus. With the expiration of the initial contract, this lease will provide Delta Airlines a new term for the existing facility which they currently occupy

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 specifies the types of costs that are used to calculate airline rates and charges. Examples of

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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).

Was this contractor selected by competitive process? No **If not, why not** Per FAA (Federal) rules, airports are required to service airlines, and there for the competitive process rules do not apply. Because this is an airline support contract, it falls under the same premise.

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

Source of funds: Revenue contract

Is this contract subject to: W/MBE DBE SBE XO101 ACDBE N/A
Goals do not apply.

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

Who are the subcontractors to this contract? Alvest Equipment Services (AES USA) – Service Provider

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