



COVID-19 CONCESSION AGREEMENT EXTENSIONS

OVERVIEW

The COVID-19 pandemic caused significant disruptions to air travel and precipitous drops in concessions sales at DEN. To help support concessionaires and their workforces, and to ensure that essential goods and services remain available to passengers and employees at DEN, the City and County of Denver Department of Aviation proposes a 3-year extension for concession agreements. The Denver Concessionaires Association sent a letter to the Economic Relief and Recovery Committee (ERRC) on March 18, 2021, requesting extensions to concession contracts. The ERRC recommended a 3-year extension to the contracts to the Mayor and the recommendation was approved.

DETAILS

Concessionaire must remain in good standing to maintain the 3-year extension, including:

- Strict compliance with ACDBE regulations and related City investigations and orders;
- Refurbishment, maintenance, and repairs of the concession premises as needed or otherwise directed by the City to maintain a first-class concession during the extension;
- Work with City if needed to promptly update or amend aging contracts that have outdated or missing City or federally required provisions; and
- Good faith efforts to support the wellbeing of current and prior employees, including rights to first refusal to laid off and furloughed personnel for any open employment positions for which they are qualified.

The City may terminate a concession that was previously on holdover tenancy if the premises must be used for other purposes, including but not limited to a scheduled development in the Great Hall. All other terms and conditions of individual concession agreements will remain in full force and effect.

WHO'S INCLUDED?

The extension will be granted to all eligible concessions, including those with term remaining and those in holdover status.

WHO'S NOT INCLUDED?

- Concessionaires with new agreements and no construction work or other physical improvements started by March 20, 2020
- Services concessionaires with an active RFP issued for similar contracted services to be performed at non-fixed locations. For example, services like luggage carts in the Great Hall.

INDUSTRY STANDARDS

Over 10 other large airports have offered term extensions to concessionaires. The extensions range from 1-3 years and are similar in that they include holdover and term-remaining agreements. Our airport counterparts in Phoenix found their 3-year extensions primarily assisted ACDBE operators with refinancing loans.