

BILL/ RESOLUTION REQUEST

1. Title: Approves a Financial Advisory Services Agreement with Tudor, Pickering, Holt & Co. Securities Inc. to assist the City with a financial analysis of mineral rights assets at Denver International Airport.

2. Requesting Agency: DIA

3. Contact Person *with actual knowledge of proposed ordinance*

Name:Neil A. Maxfield

Phone:303-342-2574

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4. Contact Person *with actual knowledge of proposed ordinance who will present the item at Mayor Council and who will be available for first and second reading, if necessary*

Name:Brian Elms

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5. Describe the proposed ordinance, including what the proposed ordinance is intended to accomplish, who's involved

a. Scope of Work

The proposed ordinance will allow the Aviation Department to enter into a Financial Advisory Services Contract with Tudor, Pickering, Holt & Co. Securities, Inc. (TPH) for highly specialized financial services. TPH is being hired to assist the City with a financial analysis of its mineral rights assets at DIA. TPH will prepare financial leasing models to aid the Department of Aviation in deciding whether or not to lease its mineral rights to qualified oil & gas explorers/operators. The financial models will allow DIA to analyze differing leasing structures with the goal of maximizing non-airline revenues, while mitigating risk. Following the Aviation Department's decision to move forward, TPH will prepare, present and market the leasing of DIA's mineral rights through a world-wide competitive selection process. TPH will receive, review and present the results of the competitive process to DIA and aid us in the successful negotiation of lease terms. TPH will work for reimburseable expenses only, but will earn an at-risk success fee of up to 1.5% of the transaction fee paid to the City by an eventual lessee. Any eventual mineral rights lease, which is separate from this contract, will be submitted to City Council for approval.

b. Duration

12 months from date of execution.

c. Location

DIA

d. Affected Council District

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e. Benefits

Significantly increases non-airline revenues at Denver International Airport, which keeps operating costs down for the airlines.

f. Costs

TPH will work for reimburseable expenses only, but will earn an at-risk success fee of up to 1.5% of the transaction fee paid to the City by an eventual lessee.

6. Is there any controversy surrounding this ordinance, groups or individuals who may have concerns about it? Please explain.

None.

Bill Request Number: BR11-0422

Date: 5/31/2011