

BILL/ RESOLUTION REQUEST

- 1. Title:** Approves an amendment to the Airport Use and Facilities Lease Agreement with Southwest Airlines, Co. to extend the term until 12/31/2011 and for space revisions (AR 65001).
- 2. Requesting Agency:** DIA
- 3. Contact Person *with actual knowledge of proposed ordinance***
 - Name:**Susan E. Moore
 - Phone:**(303)342-2517
 - Email:**Susan.Moore@flydenver.com
- 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
 - Phone:**303-342-2278
 - Email:**brian.elms@flydenver.com
- 5. Describe the proposed ordinance, including what the proposed ordinance is intended to accomplish, who's involved**
 - a. Scope of Work**

This Fourth Amendment is for a term extension and space revisions. There is also a reimbursement to Southwest by the City for expenses incurred with the relocations of US Airways and American Airlines from Concourse C in the amount of approximately \$4.1 million.
 - b. Duration**

5 years.
 - c. Location**

DIA.
 - d. Affected Council District**

Council District 11.
 - e. Benefits**

The relocation of US Airways and American allowed Southwest to obtain gates needed for their expansion and increased DIA's use of its limited gates.
 - f. Costs**

\$4.1 Million (approx.)
- 6. Is there any controversy surrounding this ordinance, groups or individuals who may have concerns about it? Please explain.**

The reimbursement is for expenses Southwest incurred with their relocations of US Airways and American Airlines from Concourse C. Southwest needed more gates to accommodate their increased flight schedule. The City will recover these costs as follows:

1. **The US Airways relocation costs will be fully amortized and costs will be recovered in the Concourse B Tenant Finish cost center.**
2. **The American Airlines relocation costs will be fully amortized and charged back to Southwest Airlines over a 6 year period.**
3. **The renovation of Concourse A club area restrooms and hallway will be fully amortized and recovered.**
4. **The jet bridge improvements will be fully amortized and recovered.**

Bill Request Number: BR11-0501

Date: 6/27/2011