

BY AUTHORITY

ORDINANCE NO. _____
SERIES OF 2013

COUNCIL BILL NO. CB12-0946
COMMITTEE OF REFERENCE:
BUSINESS, WORKFORCE, & SUSTAINABILITY

A BILL

For an ordinance approving a proposed Third Amendment to Agreement between the City and County of Denver and RMES Communications, Inc. for the termination and surrender of concession space at Denver International Airport.

BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF DENVER:

Section 1. The proposed Third Amendment between the City and County of Denver and RMES Communications, Inc. (AC54006) in the words and figures contained and set forth in that form of Agreement available in the office and on the web page of City Council, and to be filed in the office of the Clerk and Recorder, Ex-Officio Clerk of the City and County of Denver, under City Clerk's Filing No. 2005-0681-C, is hereby approved.

COMMITTEE APPROVAL DATE: December 21, 2012

MAYOR-COUNCIL DATE: December 25, 2012

PASSED BY THE COUNCIL: _____, 2013
_____ - PRESIDENT

APPROVED: _____ - MAYOR _____, 2013

ATTEST: _____ - CLERK AND RECORDER,
EX-OFFICIO CLERK OF THE
CITY AND COUNTY OF DENVER

NOTICE PUBLISHED IN THE DAILY JOURNAL: _____, 2013; _____, 2013

PREPARED BY: Skip Gray, III, Assistant City Attorney *TS for skip* DATE: December 27, 2012

Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of the City Attorney. We find no irregularity as to form, and have no legal objection to the proposed ordinance. The proposed ordinance is submitted to the City Council for approval pursuant to § 3.2.6 of the Charter.

Douglas J. Friednash, City Attorney for the City and County of Denver

BY: _____, Assistant City Attorney DATE: December 27, 2012



**THIRD AMENDMENT TO AGREEMENT
(Termination and Surrender of Concession Space)**

THIS THIRD AMENDMENT TO AGREEMENT ("Third Amendment") is made and entered into as of the date stated on the signature page, by and between the **CITY AND COUNTY OF DENVER**, a Colorado municipal corporation, for and on behalf of its Department of Aviation ("City"), Party of the First Part, and **RMES COMMUNICATIONS, INC.**, a Colorado corporation ("Concessionaire"), Party of the Second Part.

RECITALS

A. Concessionaire was selected through a public solicitation process to provide public payphone services at the Airport in September 2005. The Parties entered into a Concession Agreement (AC-54006) dated September 6, 2005, a First Amendment dated November 25, 2008, and a Second Amendment dated June 22, 2010, (collectively, the "Original Agreement") for a pay telephone concession at Denver International Airport ("Airport").

B. The market demand for payphone services has declined due to prevalence of cell phone usage and resulting increased competition from cellular services. These changes prompted a reassessment of current business model's long term viability and amendments to the Agreement restructuring the basis on which the revenue was calculated in order to insure continued service to the Airport.

C. In addition, the cost to maintain pay phones at the Airport is prohibitive. Yet, removing all pay phones from the Airport would be a disservice to those members of the traveling public who consider them a communication staple or to those foreign or generally non-local travelers who need to place local or international calls, as well as those who simply don't like or cannot afford mobile phones.

D. For these reasons and with the Original Agreement set to expire on January 31, 2013, the Airport began the process of evaluating the future of pay telephone services nearly a year ago. As a result of its evaluation and discussions with Concessionaire and others, the Airport recently accepted a proposal from Clear Channel Outdoor, Inc., to engage a company partly owned by the Concessionaire to provide advertising-supported payphone terminals that will provide free minutes for international calls and unlimited, local and national calls free of any charges to Airport customers, employees and other users.

E. Concessionaire agrees that upon expiration of the Term, it will quit and surrender the Concession Equipment Locations and City-owned enclosures to the City in the same condition as when first occupied, ordinary wear and tear excepted, including, at the City's option, certain faceplates described in Section 3.07. To that end, Concessionaire represents that it ceased operations and fully surrendered the Concession Equipment and Concession Equipment Locations to the City on or before expiration of the Term as required by this Original Agreement. Concessionaire also agreed to cooperate with the City's closeout procedures.

F. Concessionaire also agreed to fully cooperate with any other successor company that may be selected to provide pay telephone services when the Original Agreement terminates in order to minimize any disruption of telephone services to Airport passengers and facilitate the installation of the successor company's equipment. The successor company is Clear Channel Outdoor, Inc., and Concessionaire has agreed to cooperate with the City and with Clear Channel Outdoor, Inc., during this transition. Accordingly, as the City has directed,

Concessionaire represents that as of the date this Third Amendment is executed, Concessionaire has made certain Concession Equipment and Concession Equipment Locations available to Clear Channel Outdoor, Inc., for their immediate use under that certain agreement between the City and County of Denver and Clear Channel Outdoor, Inc., Contract No. 201205012.

G. The Parties agree that these recitals are hereby incorporated into and made a part of this Third Amendment.

NOW THEREFORE, for good and valuable consideration the sufficiency of which is hereby acknowledged, the Parties mutually agree as follows:

AGREEMENT

1. Paragraph 4.01, Term of Agreement, of the Original Agreement is amended by deleting it entirely and replacing it with the following:

4.01 TERM

"Term" shall mean the period commencing at noon on September 5, 2005 and ending at noon on September 30, 2012 and Concessionaire shall have no further responsibility to pay Compensation to the City except that which is due through September 30, 2012 under the Original Agreement.

2. A final walkthrough having been completed to the satisfaction of the Parties, the City hereby accepts Concessionaire's surrender of the Concession Equipment Locations.

3. The City hereby cancels Concessionaire's Security Agreement dated October 26, 2005, agrees to refund Concessionaire's cash deposit forthwith and releases Concessionaire from all obligations under the Original Agreement except that the Parties understand and agree that all terms and conditions of this Agreement, (such as the indemnity agreement set forth herein) which by reasonable implication contemplate continued performance or compliance beyond the termination of this Agreement shall survive termination of this Agreement and shall continue to be fully enforceable as provided herein.

4. Except as modified or revised by this Third Amendment, all terms, conditions, covenants and provisions of the Original Agreement shall remain in full force and effect as if fully set forth herein.

5. This Third Amendment is expressly subject to, and shall not be or become effective or binding on the City until approved by the City Council and fully executed by all signatories of the City and County of Denver. This Third Amendment may be signed electronically by the Parties in the manner specified by the City and may be executed in two or more counterparts, each of which will be deemed an original signature page to this Agreement.

[SIGNATURE PAGES FOLLOW]

Contract Control Number: PLANE-AR54006-03

Contractor Name: RMES Communications, Inc.

By: Herman Malone

Name: Herman Malone 11/29/2012
(please print)

Title: President/CEO
(please print)

ATTEST: [if required]

By: _____

Name: _____
(please print)

Title: _____
(please print)



Contract Control Number: PLANE-AR54006-03

Contractor Name: RMES Communications, Inc.

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at Denver, Colorado as of

SEAL

CITY AND COUNTY OF DENVER

ATTEST:

By _____

APPROVED AS TO FORM:

REGISTERED AND COUNTERSIGNED:

DOUGLAS J. FRIEDNASH, Attorney
for the City and County of Denver

By _____

By _____

By _____

