

## ORDINANCE/RESOLUTION REQUEST

All Fields must be completed

Incomplete request forms will be returned to sender which may cause a delay in processing.

Date of Request: 11/3/23

Please mark one: ☐ Bill Request or ☒ Resolution Request

### 1. Type of Request:

- ☒ Contract/Grant Agreement ☐ Intergovernmental Agreement (IGA) ☐ Rezoning/Text Amendment  
☐ Dedication/Vacation ☐ Appropriation/Supplemental ☐ DRMC Change  
☐ Other:

2. **Title:** Approves contract execution for Delta Air Lines Inc. (Delta) Use and Lease Agreement applying rates and charges, and leasing space and gates, for a term of one year with 2 one-year extension options at Denver International Airport (DEN).

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, SVP Airline and Commercial Affairs | Name: Rita Aguilar, Rachel Gruber, Barry Burch Jr.                                                                                                                                                                                            |
| Email: George.Karayiannakis@flydenver.com                      | Email: <a href="mailto:Rita.Aguilar@flydenver.com">Rita.Aguilar@flydenver.com</a><br><a href="mailto:Rachel.Grubel@flydenver.com">Rachel.Grubel@flydenver.com</a><br><a href="mailto:Barry.Burch@flydenver.com">Barry.Burch@flydenver.com</a> |

### 5. General description or background of proposed request. Attach executive summary if more space needed:

This request is for a new Use and Lease Agreement (ULA) allowing Delta to remain a signatory carrier at DEN for a term of one year with 2 one-year extensions. The current contract expires December 31, 2023, and this new agreement updates the lease exhibits for Delta, including changes driven by the Great Hall and Concourse Expansion programs.

To be classified as a Signatory air carrier, an airline must execute a Use and Lease Agreement with DEN and meet certain criteria set forth in DEN rules and regulations. Based on their commitment to DEN, Signatory air carriers pay reduced rates and charges. DEN currently has 23 passenger air carriers, of which 17 are seeking to continue their signatory status. Three carriers have long term signatory agreements through 2035, United, Southwest and Frontier. Three airlines are considered non-signatory carriers. DEN recently gained two new international airlines and we are working on their signatory agreements to send to council shortly.

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

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

7. **City Council District:** 11

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

*To be completed by Mayor's Legislative Team:*

Resolution/Bill Number: \_\_\_\_\_

Date Entered: \_\_\_\_\_

## Key Contract Terms

**Type of Contract:** Revenue

**Vendor/Contractor Name:** Delta Air Lines Inc.

**Contract control number:** PLANE - 202371114-00

**Location:** Denver International Airport

**Is this a new contract?** ☒ Yes ☐ No **Is this an Amendment?** ☐ Yes ☒ No **If yes, how many?** N/A

**Contract Term/Duration (for amended contracts, include existing term dates and amended dates):**

January 1, 2024 to December 31, 2024 with 2 one-year extension options.

**Contract Amount (indicate existing amount, amended amount and new contract total):**

| <i>Current Contract Amount</i> | <i>Additional Funds</i> | <i>Total Contract Amount</i> |
|--------------------------------|-------------------------|------------------------------|
| <i>(A)</i>                     | <i>(B)</i>              | <i>(A+B)</i>                 |
| N/A                            | N/A                     | Rates and Charges            |

  

| <i>Current Contract Term</i> | <i>Added Time</i> | <i>New Ending Date</i>                                                 |
|------------------------------|-------------------|------------------------------------------------------------------------|
| N/A                          | N/A               | January 1, 2024 to December 31, 2024 with 2 one-year extension options |

### Scope of work:

This request is for a new Use and Lease Agreement (ULA) allowing Delta to remain a signatory carrier at DEN for a term of one year with 2 one-year extensions. The current contract expires December 31, 2023, and this new agreement updates the lease exhibits for Delta, including changes driven by the Great Hall and Concourse Expansion programs.

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**Was this contractor selected by competitive process?** No

**If not, why not?** This procurement qualifies for the situation where competition does not exist exception under Memorandum No. 8B and will not be competitively procured.

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

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**Source of funds:** Revenue

**Is this contract subject to:** ☐ **W/MBE** ☐ **DBE** ☐ **SBE** ☐ **XO101** ☐ **ACDBE** ☒ **N/A**

**WBE/MBE/DBE commitments (construction, design, Airport concession contracts):** No goals were assigned to this project due to Memorandum No. 8B.

**Who are the subcontractors to this contract?** N/A

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