



FRONTIER USE AND LEASE AGREEMENT GATE EXPANSION AMENDMENTS

APRIL 6, 2022

DENVER INTERNATIONAL AIRPORT



- Implementing Vision 100
- DEN Update
- Requested council action
- Frontier use and lease agreement
- Frontier hangar amendment
- Gate Expansion Program contract amendments
 - Scope of work
 - Minority and Women-Owned Business Enterprise (MWBE) update
 - Sustainability
 - Financials

IMPLEMENTING VISION 100



100 MILLION ANNUAL PASSENGERS

- SUSTAINABILITY & RESILIENCY • EQUITY, DIVERSITY & INCLUSION
- CONTINUOUS STAKEHOLDER INPUT/FEEDBACK • ENHANCING THE CUSTOMER EXPERIENCE

PILLAR 1



POWERING OUR PEOPLE

- Develop Workforce Leadership Strategy
- Establish Center of Excellence and Equity in Aviation
- Implement Career Pathways Program

PILLAR 2



GROWING OUR INFRASTRUCTURE

- Complete Major Infrastructure Projects
- Update Airport Master Plan
- Develop Infrastructure Plan for DEN Real Estate

PILLAR 3



MAINTAINING WHAT WE HAVE

- Complete Concourse Renewal Program
- Update Strategic Asset Management Plan
- Develop Science-Based Greenhouse Gas Emissions Target

PILLAR 4



EXPANDING OUR GLOBAL CONNECTIONS

- Identify Air Cargo Opportunities
- Expand to Disconnected Destinations
- Grow Domestic Network

- Preliminary numbers from ACI show that DEN finished 2021 as the 3rd busiest in the world
- February 2022 was the first month passenger numbers exceeded 2019 numbers
- Expecting a busy summer with passenger numbers close to or exceeding 2019 numbers
- Since fall 2021, DEN has added four security lanes, for a total of 32, for use by TSA as staffing levels allow
- Currently finalizing Capital Improvement Plan (CIP) and will present it to you in Q2 2022
- Will update City Council on the Center for Excellence and Equity in Aviation in May 2022
- Will celebrate the completion of the 16 new gates on C-east on May 5 at 2 p.m.
- Celebrated the opening of the Southwest hangar on March 24
- Recently made some organizational changes to better address asset management
 - The Asset Management team has been moved under Chief Operating Officer Steve Jaquith
 - Will be hiring a Senior Director of Asset Management

REQUESTED COUNCIL ACTION



- Approve the new Frontier Use and Lease Agreement
- Approve the Frontier hangar amendment
- Approve the Gate Expansion contract amendments for the following:
 - Turner Flatiron JV
 - Holder FCI JV
 - Jacobs Engineering
 - HTNB
 - WSP USA

FRONTIER USE AND LEASE AGREEMENT



- Frontier has signed a new Use and Lease Agreement with DEN
- Will increase its preferential leasehold to 14 gates after the construction of an extension to the Concourse A Ground Load Facility
- All gates will be ground loaded, allowing for front and rear enplaning and deplaning of customers
- Term of the lease is 10 years from the date that the airline occupies the new facility, currently estimated in the first half of 2024
- Pending approval from the Federal Aviation Administration, DEN plans to use Passenger Facility Charges for the construction of the Concourse A Ground Load Facility extension
- DEN has agreed to a credit that will allow for Frontier's rent to remain flat on a per gate basis to their Concourse level nine-gate leasehold

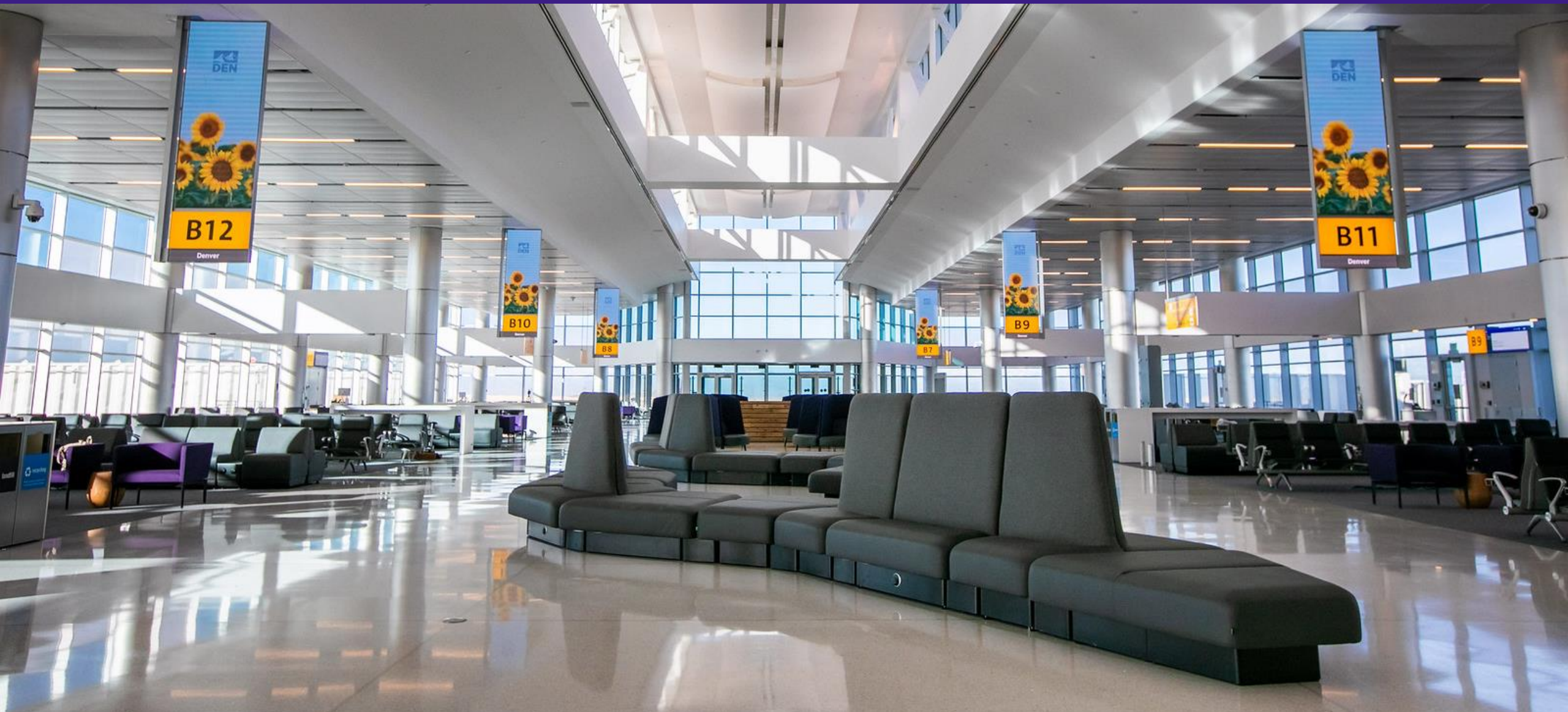
FRONTIER HANGAR AMENDMENT



- We are requesting an amendment to the hangar lease between DEN and Frontier
- The new ground lease will reflect the true ground that the airline is occupying in the hangar area of the north campus
- All other terms of the agreement remain the same for the duration of the hangar lease



GATE EXPANSION PROGRAM



GATE EXPANSION PROGRAM AMENDMENTS



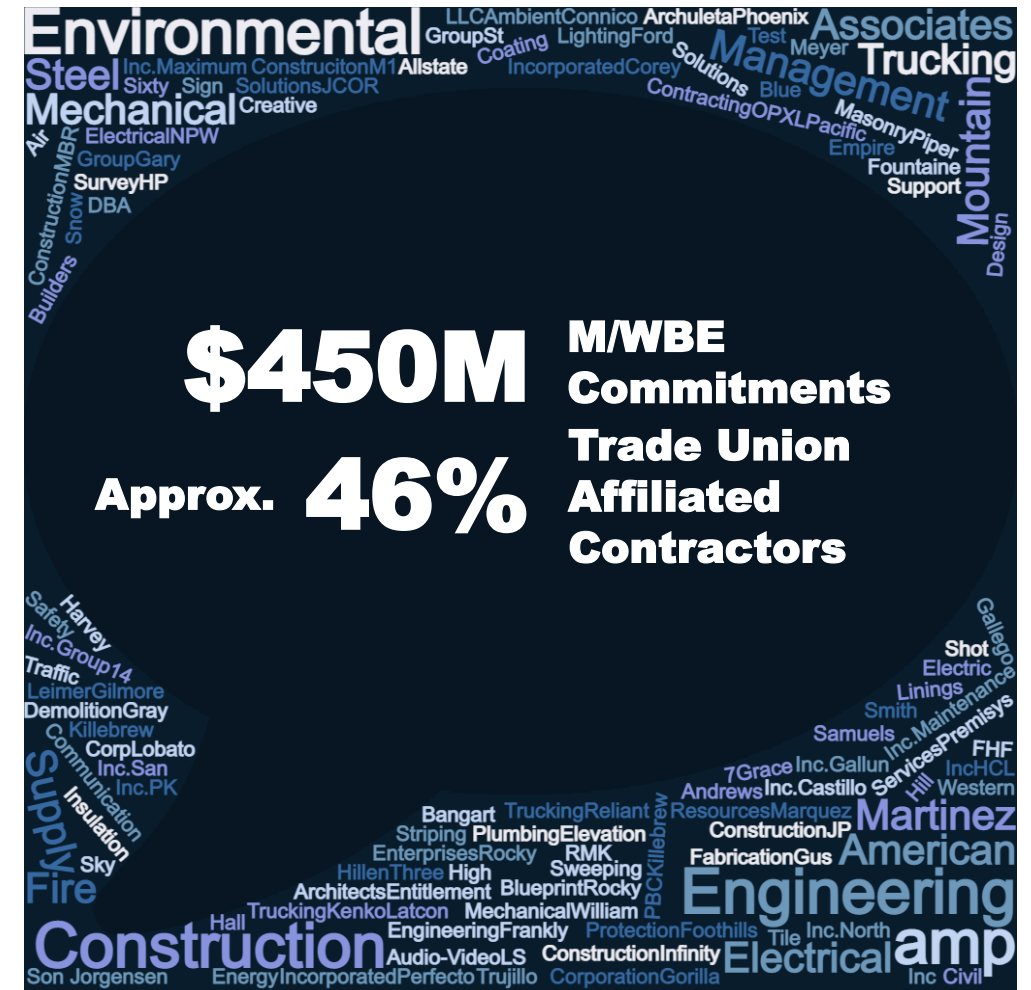
- Amendments will allow for the following additional work:
 - A-East Ground Load Expansion for Frontier lease
 - B-East hot water failure repairs and schedule requirements
 - Phase 1 of DS taxiway to provide needed de-ice capacity
 - Gate apron rehabilitation
- Contracts to be amended:
 - Turner Flatiron JV
 - Holder FCI JV
 - Jacobs Engineering
 - HTNB
 - WSP USA

- Amending the existing contracts will expedite work to meet Frontier needs, provide operational efficiency and save money
- Although prime contractors won't change, a majority of work will still be bid out to subcontractors

GATE EXPANSION MWBE STATUS

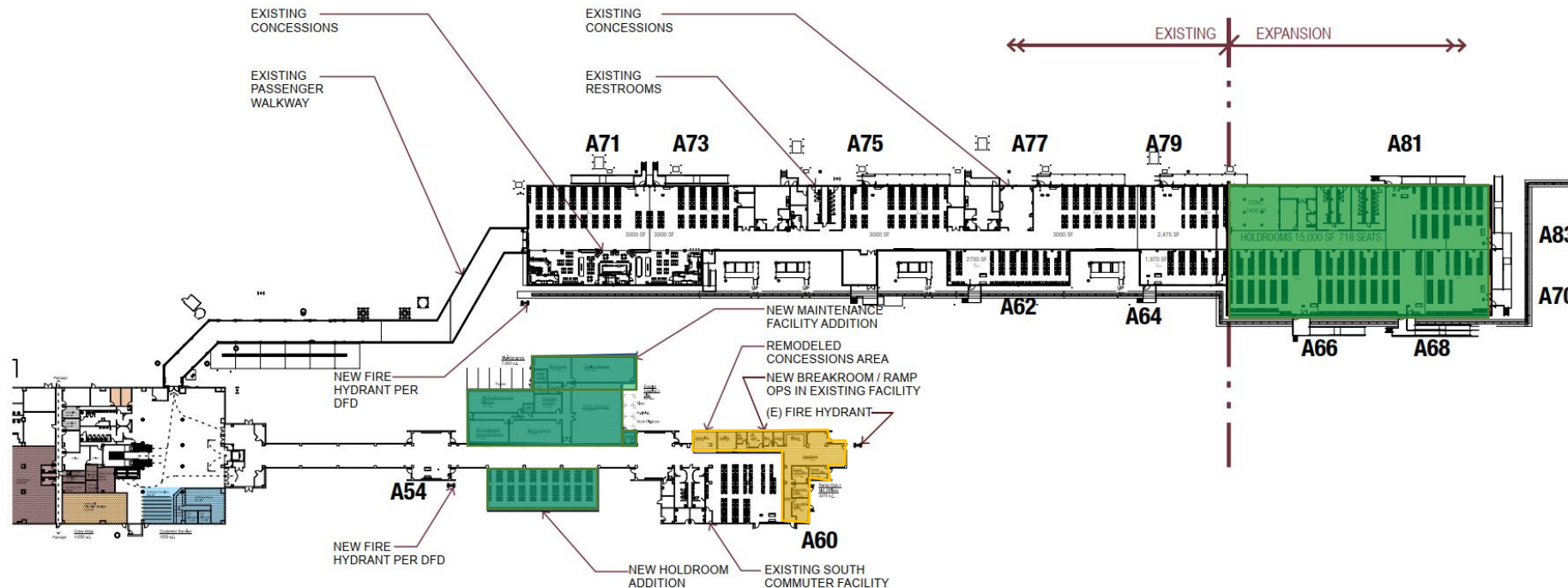


COMPANY	GOAL	CURRENT	FORECAST	# of Firms
PROJECT MANAGEMENT SERVICES				
WSP	10.0%	17.3%	17.0%	5
DESIGN SERVICES				
JACOBS	17.0%	19.9%	19.9%	9
HNTB	17.0%	18.1%	17.9%	7
CONSTRUCTION				
Turner Flatiron	24.0%	23.2%	24.5%	103
Holder FCI	24.0%	26.5%	25.1%	99



A-EAST GROUND LOAD EXPANSION

- Budget \$183M
- Provides 14 ground load gates to satisfy Frontier lease
- Includes jet fueling, maintenance facility, office space, new elevator, new escalator, new holdroom and existing hold room modifications
- Target occupancy – Q1 2024, 2-year design and construction schedule



B-EAST UPDATE

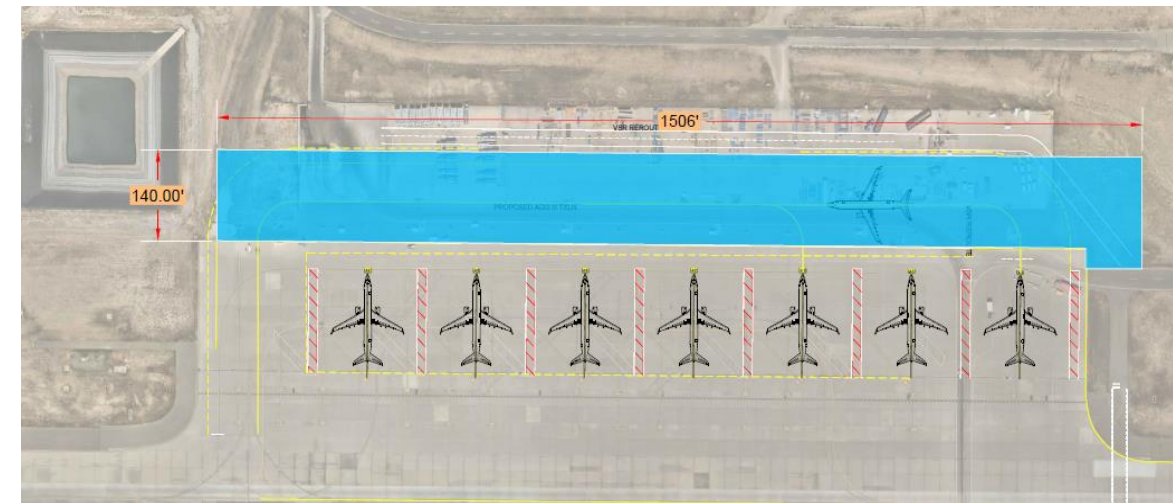


- \$10M has already been received
- Repair and replace damaged building components and equipment underway
- Repairs and gate delivery scheduled for fall 2022
- Amendment needed to add capacity to spend insurance dollars



PHASE 1 DS TAXIWAY – DE-ICE CAPACITY

- Budget \$24M
- Phase 1 of DS Taxiway will provide needed de-ice capacity
- Additional de-ice capacity needed by fall 2022
- 7 de-ice positions per FAA A/C 150/5300-13B
- Net add of 4 de-ice positions
- 24,000 square yards new airfield pavement
- Remove and replace mast lighting



GATE APRON REHAB



- Budget \$45M
- Replaces deteriorated pavement and replaces/adjusts utilities
 - Pavement and some utilities have reached the end of their design life
- Gate expansion phasing in 2022 will provide a unique opportunity to complete apron work while gates are not in service
- Will take place with the scheduled airline relocation work to minimize operational impacts and provide potential cost efficiencies

SUSTAINABILITY AND LEED STATUS

- Program goal is to achieve LEED v4 Gold certification
 - Gate Expansion B-West was awarded LEED Gold in 2021
 - B-East, C-East and A-West are on track for Gold Certification
- Rooftop photo-voltaic system
- Generate 10% of building demand
- Achieve 30% building energy demand reduction
- 40% reduction from interior lighting
- Energy recovery of exhaust air
- Water usage reduced 45%
- Building commissioning
- Sustainable materials
- Recycle materials



AMENDMENT BREAKDOWN



VENDOR	SERVICE	TRANSFERRED SCOPE CONTROLS / QA	GATE APRON REHAB	B-EAST HOT WATER FAILURE	A-EAST GROUNDLOAD EXPANSION	DS DE-ICE PAD	TOTAL	ADDITIONAL CONTRACT CAPACITY
Turner Flatiron Joint Venture	CONSTRUCTION MANAGER AT RISK		\$25.0M		\$159.7M		\$184.7M	\$185M
Holder FCI Joint Venture	CONSTRUCTION MANAGER AT RISK		\$16.0M	\$50.0M		\$21.3M	\$87.3M	\$88M
Jacobs Engineering Group Inc.	DESIGNER			\$2.2M		\$0.7M	\$2.9M	\$3M
HNTB Corporation	DESIGNER		\$1.5M		\$11.9M		\$13.4M	\$14M
WSP USA	PROGRAM MANAGEMENT	\$11.0M	\$2.1M	\$6.1M	\$6.8M	\$1.4M	\$27.4M	\$27M
		\$11.0M	\$44.6M	\$58.3M	\$178.4M	\$23.4M	\$315.7M	\$317M

* Scope Transfers from expiring AIM Campus Wide On-Call Contracts to WSP

AMENDMENT CONTRACT VALUES



CONTRACT	CURRENT CONTRACT VALUE	PROPOSED AMENDMENT	OVERALL CONTRACT CAPACITY
Turner Flatiron Joint Venture - 201631723	\$940M	\$185M	\$1,125M
Holder FCI Joint Venture - 201733063	\$920M	\$88M	\$1,008M
Jacobs Engineering Group Inc. - 201733061	\$85M	\$3M	\$88M
HNTB Corporation - 201631727	\$85M	\$14M	\$99M
WSP USA - 201631389	\$60M	\$27M	\$87M

FUNDING SOURCES

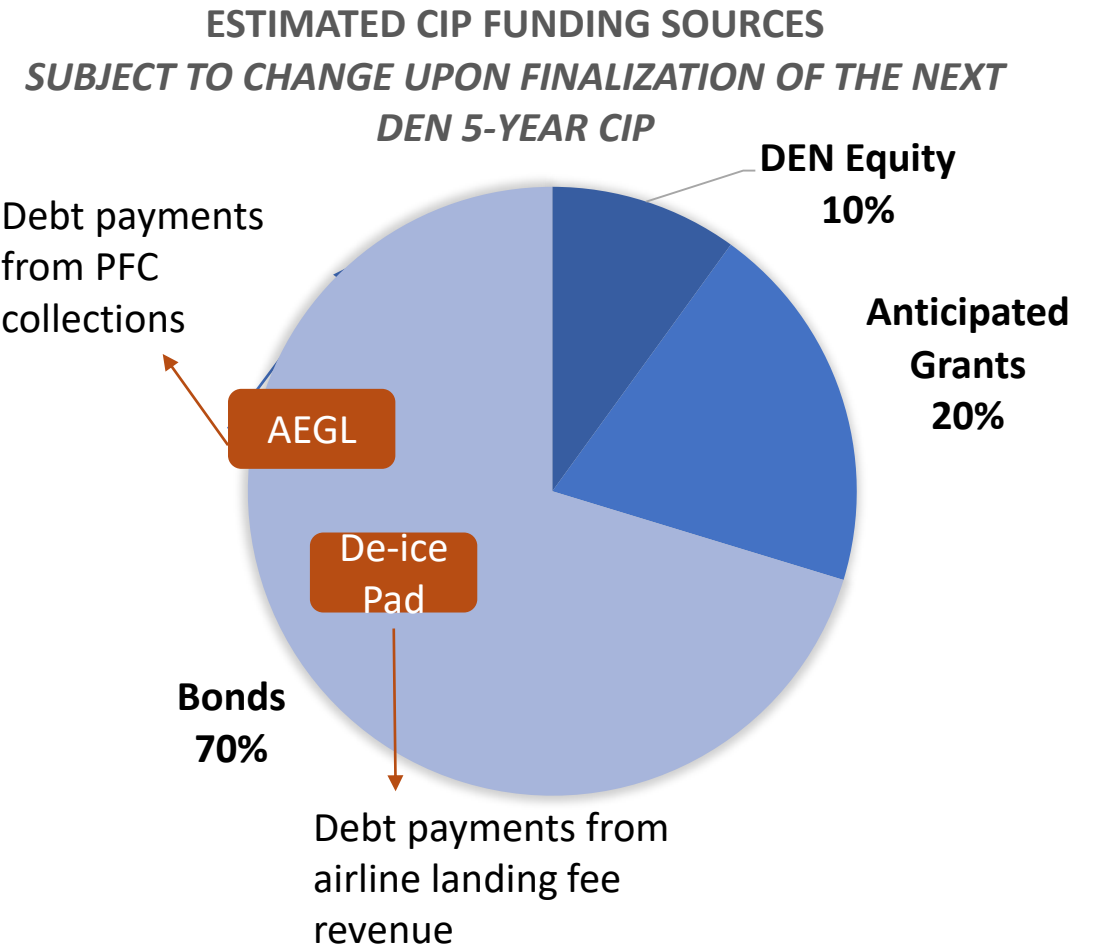


- B-East hot water damage – Insurance claim
- Transferred scope quality assurance/ controls – Existing DEN CIP 2018-2022
- Gate apron rehab – Existing DEN CIP 2018-2022
- A-East Ground Load (AEGL) – Future DEN CIP 2023-2027
- DS Taxiway Phase 1 (De-ice pad) – Future DEN CIP 2023-2027

FUNDING SOURCES



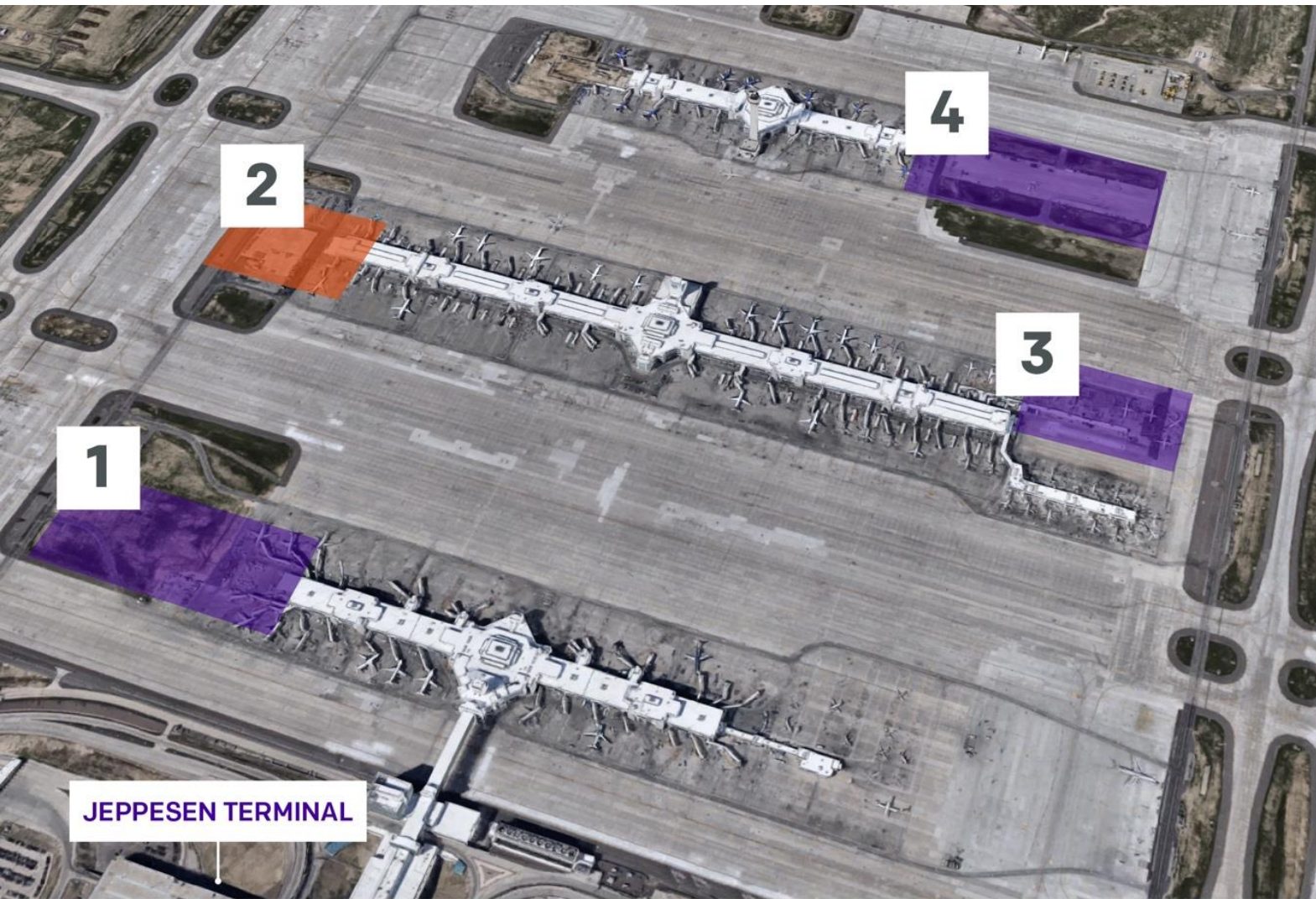
- The A-East Ground Load (AEGL) and de-ice pad will be funded out of the next 5-year DEN CIP (2023-2027)
 - The AEGL will be bond financed and Passenger Facility Charges (PFCs) will be used to pay for the debt service costs
 - The de-ice pad will also be bond financed and the debt service costs will be recovered through airline landing fees



Q&A



GATE EXPANSION PROGRAM AREAS



1 A-WEST
12 GATES

Operational in Fall 2022

2 B-WEST
4 GATES

Opened November 2020

3 B-EAST
7 GATES

Operational in Fall 2022

4 C-EAST
16 GATES

Operational in Mid-2022

DEN is building 39 new concourse gates, increasing overall capacity at the airport by 30%. All three concourses are expanding to allow existing airlines the opportunity to grow and for DEN to accommodate new airlines, including international carriers.

AIRLINE MOVES



AIRLINE	CURRENT LOCATION	FINAL LOCATION	MOVE DATE
United Airlines	Concourse A Concourse B	Concourse A (expanded) Concourse B (expanded)	Expanding in Fall 2022
Delta Airlines	Concourse A	Concourse A (relocated within the concourse)	Spring 2023
Frontier Airlines	Concourse A	Concourse A (relocated within the concourse)	Late 2023
Spirit Airlines	Concourse C	Concourse A	Early 2024
Alaska Airlines	Concourse C	Concourse A	Early 2024
Southwest Airlines	Concourse C	Concourse C (expanded)	Expanding in May 2022
American Airlines	Concourse A	Concourse C	Fall 2022
Commuter Airlines*	Concourse A	Concourse C	May 2022
International and Common-Use Gates**	Concourse A	Concourse A	No relocation

**Commuter Airlines include:*

- Boutique Air
- Denver Air Connection
- Southern Airways

***Airlines which utilize the international and common-use gates include:*

- AeroMexico
- Air Canada
- Air France
- Allegiant
- British Airways
- Cayman
- Copa Airlines
- Edelweiss
- JetBlue
- Icelandair
- Lufthansa
- Southern Airways
- Sun Country
- Volaris
- WestJet