



Legislation Details (With Text)

File #: 24-0021 **Version:** 1

Type: Resolution **Status:** Adopted

File created: 1/9/2024 **In control:** Business, Arts, Workforce, Climate & Aviation Services Committee

On agenda: 1/29/2024 **Final action:** 1/30/2024

Title: A resolution approving a proposed Agreement between the City and County of Denver and DELTA AIR LINES, INC. concerning a use and lease agreement for rates and charges to provide passenger services at Denver International Airport.
Approves a Use and Lease Agreement with Delta Air Lines Inc. (Delta) applying rates and charges with an end date of 2-28-2035, to lease space and gates at Denver International Airport, in Council District 11. PLANE-202370263. The last regularly scheduled Council meeting within the 30-day review period is on 2-20-2024. The Committee approved filing this item at its meeting on 1-17-2024.

Sponsors:

Indexes: Melissa Mata

Code sections:

Attachments: 1. RR24-0021_DEN_DeltaAirLinesInc_RR_4Jan24, 2. 24-0021 Contgract_Delta Air Lines, Inc. - 202370263, 3. 24-0021 Filed Resolution_Delta Air Lines, Inc., 4. 24-0021 Filed Resolution_Delta Air Lines, Inc., 5. 24-0021_signed

Date	Ver.	Action By	Action	Result
1/30/2024	1	Council President	signed	
1/29/2024	1	City Council	adopted	Pass
1/17/2024	1	Business, Arts, Workforce, Climate & Aviation Services Committee	approved by consent	Pass

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 1-15-2024

Requesting Agency: DEN
Division:

Subject Matter Expert Name: Kevin Forgett
Email Address: Kevin.forgett@flydenver.com
Phone Number:

Item Title & Description:

(Do not delete the following instructions)

*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

A resolution approving a proposed Agreement between the City and

County of Denver and DELTA AIR LINES, INC. concerning a use and lease agreement for rates and charges to provide passenger services at Denver International Airport.

Approves a Use and Lease Agreement with Delta Air Lines Inc. (Delta) applying rates and charges with an end date of 2-28-2035, to lease space and gates at Denver International Airport, in Council District 11. PLANE-202370263. The last regularly scheduled Council meeting within the 30-day review period is on 2-20-2024. The Committee approved filing this item at its meeting on 1-17-2024.

Affected Council District(s) or citywide?

11

Contract Control Number:

202370263

Vendor/Contractor Name (including any "DBA"):

Delta Air Lines

Type and Scope of services to be performed:

This request is for a new Use and Lease Agreement (ULA) allowing Delta to remain a signatory carrier at DEN for a term of ten years. The current contract expires December 31, 2024, and this new agreement replaces that and updates the lease exhibits for Delta, including changes driven by the Great Hall, Concourse Expansion programs and the expansion of Delta's SkyClub at DEN. As part of Delta's SkyClub expansion, at its sole cost, replace the United Service Organization's Lounge (USO), building a new lounge for eligible service members and their families.

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).

Location (if applicable):

WBE/MBE/DBE goals that were applied, if applicable (construction, design, Airport concession contracts):

N/A

Are WBE/MBE/DBE goals met (if applicable)?

Is the contract new/a renewal/extension or amendment?

New

Was this contractor selected by competitive process or sole source?

Sole source

For New contracts

Term of initial contract:

To 2-28-2035

Options for Renewal:

How many renewals (i.e. up to 2 renewals)?
Term of any renewals (i.e. 1 year each):

Cost of initial contract term:
Rates and charges
Cost of any renewals:

Total contract value council is approving if all renewals exercised:

For Amendments/Renewals Extensions:

Is this a change to cost/pricing; length of term; terms unrelated to time or price (List all that apply)?

If length changing

What was the length of the term of the original contract?

What is the length of the extension/renewal?

What is the revised total term of the contract?

If cost changing

What was the original value of the entire contract prior to this proposed change?

What is the value of the proposed change?

What is the new/revised total value including change?

If terms changing

Describe the change and the reason for it (i.e. compliance with state law, different way of doing business etc.)