



Legislation Details (With Text)

File #: 21-0545 **Version:** 1

Type: Resolution **Status:** Adopted

File created: 5/3/2021 **In control:** Business, Arts, Workforce, Climate & Aviation Services Committee

On agenda: 5/24/2021 **Final action:** 5/24/2021

Title: A resolution approving a proposed second Amendment between the City and County of Denver and WJ Advisors, LLC concerning consulting services for financial and economic management and for the planning and development of airport properties at Denver International Airport. Amends a contract with WJ Advisors, LLC by adding \$1,500,000 for a new total of \$5,500,000 and two years for a new end date of 12-31-23 to provide consulting services for the financial and economic management of the Airport and for the planning and development of Airport facilities at Denver International Airport (202158248). The last regularly scheduled Council meeting within the 30-day review period is on 6-14-21. The Committee approved filing this item at its meeting on 5-12-21.

Sponsors:

Indexes: John Mahoney

Code sections:

Attachments: 1. RR21 0545 DIA WJ Advisors, 2. 21-0545 Contract_WJ Advisors.pdf, 3. 21-0545 Filed Resolution_WJ Advisors.pdf, 4. 21-0545 Filed Resolution_WJ Advisors.doc, 5. 21-0545 - signed

Date	Ver.	Action By	Action	Result
5/24/2021	1	Council President	signed	
5/24/2021	1	City Council	adopted	Pass
5/12/2021	1	Business, Arts, Workforce, Climate & Aviation Services Committee	approved by consent	

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 5-3-21

Requesting Agency: Denver International Airport
Division:

Subject Matter Expert Name:

Name:	Angela Casias
Email:	Angela.Casias@flydenver.com

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 second Amendment between the City and County of Denver and WJ Advisors, LLC concerning consulting services for financial and economic management and for the planning and development of airport properties at Denver International Airport.

Amends a contract with WJ Advisors, LLC by adding \$1,500,000 for a new total of \$5,500,000 and two years for a new end date of 12-31-23 to provide consulting services for the financial and economic management of the Airport and for the planning and development of Airport facilities at Denver International Airport (202158248). The last regularly scheduled Council meeting within the 30-day review period is on 6-14-21. The Committee approved filing this item at its meeting on 5-12-21.

Affected Council District(s) or citywide? Council District 11

Contract Control Number: 202158248

Vendor/Contractor Name (including any "DBA"): WJ Advisors, LLC

Type and Scope of services to be performed:

Consultant shall provide professional airport system consulting services for the financial and economic management of the Airport and for the planning and development of Airport facilities. Specifically, services to be performed by Consultant; when and as directed by the Manager of Aviation, shall include, but not be limited to the following:

- A. Development and review of the calculation of airline rates, fees, and charges relating to the Denver Airport System, which may include improvement, augmentation, modification and simplification of a financial model and assumptions used to calculate such rates. This includes a detailed summary of rates, fees, and charges by airline as well as in total for the Airport system.
- B. Create a manual and documentation for rate model. Develop a user's guide incorporating the rate model operation, architecture and logic as well as provide training for airport staff on how to operate the model.
- C. Prepare a financial feasibility report regarding financing the airport's capital plan. Per requirements of the Airport Consultant's Report, Section 704B of the Airport General Bond Ordinance, prior to the issuance of additional bonds, the Consultant shall issue a report, estimating the current and next three fiscal years, Gross Revenues, Operation and Maintenance Expenses, and other amounts required to be deposited to funds and accounts in support of funding the capital projects as well as the increase in operation and maintenance expenses and the increase in rates, fees, rentals, or other charges that may result from completion of the project(s).

Based upon those estimates, the report must demonstrate that the Net revenues in each such Fiscal Year, together with any Other Available Funds are projected to be sufficient in each such fiscal year to meet the Rate Maintenance Covenant, taking into consideration the debt service requirements of any future series of bonds required to complete the improvement project(s), as estimated by bond advisors, and after giving effect to, among other things, the increase in operation and maintenance expenses and the increase in rates, fees, rentals, or other charges

that may result from completion of the Project. The report must comply with the requirements as more fully outlined and described in Section 704 B of the Airport General bond Ordinance.

If this report shows the Airport System not meeting the Rate Maintenance Covenant, the Consultant shall advise the Manager of Aviation and make recommendations as to the revision to rentals, fees, and charges to meet this requirement.

In conjunction with issuance of additional revenue bonds, Consultant shall prepare a financial feasibility report regarding improvement projects to be financed. The feasibility report shall be in a format suitable for incorporation into the Official Statement for the sale of such bonds. Services to be provided in connection with the financial feasibility report, or periodically as requested, shall include:

1. An analysis of the economic and air traffic forecasts
2. A review and assessment of the requirements for the projects and project cost estimates
3. A review of airport financial operations and rate policies
4. A review of the projection of airport revenues, expenses, net revenues, and debt service coverage
5. Coordination with the City's team of investment bankers, bond counsel, and staff in the development of the financing plan for the project, preparation of the financial feasibility study report including black-line drafts for review by the working group, and participation in presentations to the rating services and investor tours/roadshows
6. Create user's manual for financial model

D. At the request of the CEO or CFO, Consultant shall review and advise upon the annual capital plan for the Denver Airport System for compliance with the Bond Ordinance and Airline Use and Lease Agreements.

E. Consultant shall review and advise the CEO, as requested, with respect to any other matters affecting the Denver Airport System. These matters may include:

1. Performing qualitative and quantitative analyses on a variety of strategic and financial issues, as well as business issues, including but not limited to, analyses relating to the operating & capital planning budget and sensitivity and scenario analyses
2. Assisting in airline lease negotiations
3. Services in connection with the planning of present Airport System facilities or those to be acquired or to be developed by the City in the future.

F. Consultant shall provide qualified persons from its staff to serve as expert witnesses in any judicial or administrative proceeding to which the City may be a party.

G. Other special projects as assigned that impact the Airport System, including but not limited to providing advisory services related to DEN strategic business development.

Location (if applicable):

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

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

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

Was this contractor selected by competitive process or sole source?

Competitive process

For New contracts

Term of initial contract:

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:

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?

01/01/2017-12/31/2021

What is the length of the extension/renewal?

2 years

What is the revised total term of the contract?

01/01/2017-12/31/2023

If cost changing

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

\$4,000,000.00

What is the value of the proposed change?

\$1,500,000.00

What is the new/revised total value including change?

\$5,500,000.00

If terms changing

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