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**FOR IMMEDIATE RELEASE**

## **Airport takes step toward finalizing contract termination payment for Great Hall Project *DEN refunds contractor's share of costs***

**DENVER – Dec. 12, 2019** – As part of the termination of its contract with Great Hall Partners for the renovation of the Great Hall, Denver International Airport (DEN) announced today that it has made a partial payment to Great Hall Partners which is a portion of DEN's termination payment. DEN is obligated to reimburse Great Hall Partners for work done to date, as well as to conclude work under the contract, as DEN proceeds with a new contractor. Great Hall Partners was funding about 27 percent of the project and DEN was funding about 73 percent. As a result of the termination, DEN must reimburse Great Hall Partners for the money that it spent on the project for work completed. DEN does not have to pay any fees or penalties simply for terminating the Development Agreement.

The payments can be summarized into the following categories:

1. **Net Lenders' Liability:** Refunding Great Hall Partners' share of project costs to date, which is the amount of money Great Hall Partners spent to design, construct, and manage the work completed. DEN now owns all the work, including the intellectual property such as design drawings and calculations. Great Hall Partners will use the refunded money to pay back the bonds they issued.

Total: \$90.4 million

2. **Breakage/Costs:** Payment to Great Hall Partners for the work that was required for them and their subcontractors to wind down work on the project. There are three types of costs:
  - Contractor Breakage Costs – The costs incurred by Great Hall Partners and its contractors because of the termination, such as demobilizing from the site, materials and equipment ordered that cannot be stopped or returned (which DEN will use in its completion of the Project), and other similar costs;
  - Redundancy Costs – Great Hall Partners' costs for terminating employees who will not continue with their company, such as severance payments, unpaid accrued time off, and moving costs; and
  - Transition Costs – The amount spent by Great Hall Partners during the 90-day transition to DEN (August 12 – November 12), such as continuing the fire watch, the cost to secure the site, and management of the work during this transition.

Total: The Contractor Breakage Costs and Transition Costs have not yet been finalized. The Redundancy Costs payment total was \$130,994.

3. **Equity/Return on investment:** The return on their investment that Great Hall Partners' owners would have received over the 34-year life of the contract.

Total: \$37.7 million

In total, DEN has reimbursed Great Hall Partners for their investment in the project of \$90.4 million (Net Lender's Liability) and also paid \$37.7 million (Equity/Return on Investment) and \$130,994 (Redundancy Costs) for a total of about \$128 million. The remaining payments for the contractor breakage costs and transition costs payments have not yet been finalized. It is estimated that the total termination payment will range between \$170 million to \$210 million. Paying contract breakage and termination costs are typical when terminating a construction contract for convenience.

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In the meantime, there is much going on behind the scenes on the Great Hall Project. Last month, Denver City Council approved five contract amendments to put the new contracting team in place. The new contracted team is now reviewing the existing design plans, continuing with the construction of TSA's Central Monitoring Facility, and weather-proofing the existing construction site.

In January, DEN will initiate the contracting process for Hensel Phelps as the project general contractor. It is expected that work on the project will fully resume in late Q1 2020. Once the new general contractor is on board, DEN will have more information regarding the project schedule.

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*Denver International Airport is the fifth-busiest airport in the United States. With more than 64.5 million passengers traveling through the airport each year, DEN is one of the busiest airline hubs in the world's largest aviation market. DEN is the primary economic engine for the state of Colorado, generating more than \$26 billion for the region annually. For more information, check us out on [Instagram](#), like us on [Facebook](#), and follow us on [Twitter](#).*

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