



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

District B

Item Creation Date: 6/15/2021

HAS – Reimbursement Agreement with United Airlines for Terminal C Ticketing Lobby at IAH

Agenda Item#:

### **Background:**

### **Recommendation:**

Enact an ordinance approving and authorizing a Reimbursement Agreement between United Airlines, Inc. and the City of Houston for improvements to Terminal C in support of operations in Terminal E at George Bush Intercontinental Airport/Houston (IAH) and appropriating the necessary funds to finance the cost of these services.

### **Background:**

By authority of Ordinance No. 2018-1039, adopted by City Council on December 19, 2018, the City entered into Amended and Restated Memorandum of Agreement No. 77840, with United Airlines, Inc. (United) related to the redevelopment of terminals at IAH. Under the MOA, the City and United agreed to redevelop United's Terminal E Ticketing Facility into a consolidated International Central Processor (ICP) for use by United and airlines handling international flights out of Terminals D and E. In order to construct the ICP in one phase so as not to unreasonably disrupt passenger operations at Terminal E, the City and United agreed that during the construction of the ICP, United will completely vacate Terminal E Ticketing and landside security checkpoint, airline ticket offices and relocation of Hub Business Office, arrivals level offices, and process all Terminal E passengers through Terminal C Ticketing instead.

The temporary relocation necessitates improvements be made to Terminal C Ticketing Lobby and its accompanying screening checkpoint area to ensure the same passenger throughput. The City has agreed to reimburse United for the costs of such modifications to Terminal C, at an anticipated cost of \$12,500,000.00. In order to cover the costs of unforeseen work related thereto, the City is also funding an owner's reserve of \$500,000.00, to be budgeted for project costs in the sole discretion of the HAS Director, after consultation with United.

The pertinent terms of this Reimbursement Agreement are as follows:

**Reimbursable Project Scope:** United shall perform, or cause to be performed on its behalf, the planning, design and construction of the Project, the Project Costs of which the City currently estimates to be approximately \$12,500,000.00; to be finalized in an approved budget between the Director and United. At the sole discretion of the Director, United may be asked to undertake other projects in connection with and directly affecting the work related to United's temporary relocation from Terminal E Ticketing Hall to Terminal C Ticketing Lobby, during the construction of the ICP, such additional work not already covered in the Estimated Project Scope, for reimbursement by the City. Such owner's reserve work requested by United or Director shall not exceed \$500,000.00. Currently the Project

Scope includes an increase in the number of TSA screening lanes, expansion of checkpoint queuing, relocation of kiosks, relocation of group check-in, relocation of customer service team, modification to lobby floor area, baggage handling system modification, permanent closure of vehicle curbside, and relocation of employee screening.

**Term:** United anticipates completing move-out of Terminal E Ticketing Hall in August 2021, with Terminal C work being conducted prior to and following this date. The reimbursement agreement will terminate after completion of work and reimbursements made through project close-out.

### **Fiscal Note:**

No significant Fiscal Operating impact is anticipated as a result of this project.

### **Director's Signature:**

DocuSigned by:

Mario Diaz

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Mario C. Diaz  
Houston Airport System

Andy Icken  
Chief Development Officer

**Prior Council Action:**

12/19/2018 (O) 2018-1039

**Amount of Funding:**

\$13,000,000.00

Airport System Consolidated ITRP AMT Construction Fund  
Fund 8207

**Contact Information:**

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