



Legislation Text

File #: 22-910, **Version:** 1

STRATEGIC PRIORITY: Transportation & Infrastructure

AGENDA DATE: June 22, 2022

COUNCIL DISTRICT(S): N/A

DEPARTMENT: City Attorney's Office

EXECUTIVE: Christopher J. Caso

SUBJECT

Authorize **(1)** settlement of the lawsuit styled City of Dallas v. Delta Air Lines, Inc., et al., Cause No. 3:15-CV-02069-K - Estimated Revenue Foregone: Aviation Fund \$200,000.00 annually over a six-year period until the expiration of the current Use and Lease Agreements at Love Field; **(2)** a facilities lease agreement at Dallas Love Field with Delta Air Lines, Inc. for scheduled airline passenger service support space; and **(3)** a facilities use agreement at Dallas Love Field with Southwest Airlines for terminal storage and support space - Estimated Net Annual Revenue: \$470,761.40

BACKGROUND

The City filed the lawsuit in 2015 seeking a court ruling on whether Delta Air Lines had the right, under the relevant gate leases and regulatory requirements, to continued accommodation at Dallas Love Field airport. The court entered a preliminary injunction ordering Southwest Airlines to accommodate Delta flights during the litigation. The City and Delta Air Lines, Southwest Airlines, and Alaska Airlines have now reached a proposed settlement subject to City Council approval. The settlement includes a facilities lease agreement with Delta Air Lines for certain space in support of its scheduled airline passenger service and a use agreement with Southwest Airlines for terminal storage and support space. Delta Air Lines is represented by Gibson Dunn & Crutcher LLP. Southwest Airlines is represented by Lynn Pinker Hurst Schwegmann. Alaska Airlines is represented by Weil, Gotshal, & Manges LLP.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

A confidential memorandum regarding this matter will be provided to the City Council on June 17, 2022.

FISCAL INFORMATION

Estimated Revenue Foregone: Aviation Fund \$200,000.00 annually over a six-year period until the expiration of the current Use and Lease Agreements at Love Field. The current Use and Lease Agreements expire on September 30, 2028. Estimated Net Annual Revenue from Facilities Lease: \$470,761.40