



CITY COUNCIL
ATLANTA, GEORGIA

**SUBSTITUTE RESOLUTION BY:
TRANSPORTATION COMMITTEE**

03-R-1030

A RESOLUTION RESCINDING RESOLUTION 02-R-1633 AND REPLACING IT AS FOLLOWS TO GRANT APPROVAL TO THE METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY TO ENTER INTO LEASE FINANCINGS FOR THE "SOUTH LINE" FROM THE AIRPORT TO FIVE POINTS STATION, INCLUDING TRACK LEADING TO THE SOUTH YARD AND THE "EAST LINE" FROM INDIAN CREEK STATION TO FIVE POINTS STATION; AND FOR OTHER PURPOSES.

WHEREAS, Resolution 02-R-1633 was adopted by the Atlanta City Council October 7, 2002 and approved by the Mayor October 15, 2002; and

WHEREAS, Resolution 02-R-1633 granted approval to the Metropolitan Atlanta Rapid Transit Authority to enter into a "lease to service contract" for it's "South Line" extending from Hartsfield International Airport to Five Points Station, including track leading to the South Yard; and for other purposes; and

WHEREAS, the Metropolitan Atlanta Rapid Transit Authority desires to (1) increase the initial term of the agreement granted by Resolution 02-R-1633 from 32 to 35 years, (2) provide for subsequent renewal options and (3) provide for a "lease to service contract" for it's "East Line"; and

WHEREAS, the Metropolitan Atlanta Rapid Transit Authority (the "Authority") desires to enter into "lease-to-service contracts" pursuant to which it would lease (1) its "South Line" consisting of approximately nine miles of the heavy rail line extending from Hartsfield International Airport to Five Points Station, including track leading to the South Yard, seven full stations (Airport, College Park, East Point, Lakewood, Oakland City, West End and Garnett) and all or a portion of the Five Points station, the South Yard Maintenance Facility, five station parking lots, together with all tracks, bridges, power substations, structures, aerial construction, tunnels, electrification, signaling and communication equipment and buildings associated with the above-listed assets (collectively, the "South Line Leased Rail Line Assets") and (2) its "East Line" consisting of approximately ten miles of the heavy rail line extending from Indian Creek Station to Five Points Station, including nine full stations (Indian Creek, Kensington, Avondale, Decatur, East Lake, Edgewood-Candler Park, Inman Park-Reynoldstown, King Memorial and Georgia State) and a portion of the Five Points station and/or certain rights of access thereto, the related station parking lots, together with all tracks, bridges, power substations, structures, aerial construction, tunnels, electrification, signaling and communication equipment and buildings associated with the above-listed assets (collectively, the "East Line Leased Rail Line Assets"); and



WHEREAS, pursuant to two separate transactions, the Authority would lease the South Line Leased Rail Line Assets and the East Line Lease Rail Line Assets, respectively, to one or more trusts established by one or more equity investors selected by the Authority for an initial term not in excess of 85 years and subsequent renewal terms at the option of the trusts not in excess of 85 years each pursuant to one or more Head Leases (collectively, the "South Line Head Leases" and the "East Line Head Leases," respectively); provided that the South Line Head Leases would terminate **if** the Authority exercised its option to purchase the South Line Leased Rail Line Assets pursuant to the South Line Subleases as described below and the East Line Head Leases would terminate **if** the Authority exercised its option to purchase the East Line Leased Rail Line Assets pursuant to the East Line Subleases as described below; and

WHEREAS, simultaneously with the execution of the South Line Head Leases and the East Line Head Leases, respectively, the Authority would enter into one or more sublease agreements with the equity investors' trusts for an initial term not in excess of 35 years (collectively, the "South Line Subleases" and the "East Line Subleases," respectively) pursuant to which the Authority would (i) sublease back the South Line Leased Rail Line Assets and the East Line Leased Rail Line Assets, respectively, with an option to purchase the South Line Leased Rail Line Assets and the East Line Leased Line Assets at the end to the initial term of the respective South Line Subleases and East Line Subleases, (ii) continue to **hold title to**, operate and maintain the South Line Leased Rail Line Assets and the East Line Leased Rail Line **Rail Line Assets and (iii) at the end of the term of the South Line Subleases and the East Line Subleases, either elect to exercise its option to purchase the South Line Rail Line Assets and East Rail Line Assets or arrange for or enter into a service contract arrangement for the respective South Line Rail Line Assets and East Line Rail Line Assets;** and

WHEREAS, at the closing of each transaction, the Authority would receive a lump sum prepayment from each trust equal to such trust's rental obligations under the respective South Line Head Leases and East Line Head Leases; and

WHEREAS, the Authority would use these lump sum prepayments to (1) **provide for payment of** its rental obligations under the respective South Line Subleases and East Line Subleases, (2) **provide for payment of** the purchase option **price** under the South Line Subleases and the East Line Subleases **if the Authority elects to exercise its purchase options** and (3) pay the transaction costs; and

WHEREAS, after using the lump sum prepayments as described above, the Authority would retain a substantial cash benefit as a result of entering into the South Line Head Leases, the East Line Head Leases and the respective South Line Subleases and East Line Subleases; and



WHEREAS, pursuant to Paragraph 4(a) of the Rapid Transit Contract and Assistance Agreement dated as of September 1, 1971, as amended and supplemented (the "Contract") among the Authority, the City of Atlanta, DeKalb County, Fulton County, Clayton County and Gwinnett County, the Authority is required to obtain the approval of a majority of DeKalb County, Fulton County and the City of Atlanta if the Authority proposes to enter into a lease involving a "substantial portion" of the System (as defined in the Contract).

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, that Resolution 02-R-1633 be rescinded in it's entirety and replaced with this resolution and that the terms and conditions of the proposed transaction as described in the foregoing recitals be hereby approved in accordance with Paragraph 4(a) of the Contract.

ADOPTED AND APPROVED on _____, 2003.

APPROVED:

CITY OF ATLANTA, GEORGIA

[SEAL]

Mayor

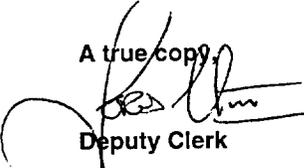
ATTEST:

Municipal Clerk

APPROVED AS TO FORM:

Linda K. DiSantis City
Attorney

A true copy,


Deputy Clerk

ADOPTED by the Council
APPROVED by the Mayor

JULY 07, 2003
JULY 12, 2003

RCS# 4877
7/07/03
5:27 PM

Atlanta City Council

Regular Session

03-R-1030

RESCIND 02-R-1633; GRANT APPRO TO MARTA
TO ENTER LEASE FINANCINGS FOR SOUTH LINE
ADOPT ON SUB

YEAS: 12
NAYS: 0
ABSTENTIONS: 1
NOT VOTING: 1
EXCUSED: 1
ABSENT 1

Y Smith	Y Archibong	Y Moore	A Mitchell
Y Starnes	Y Fauver	Y Martin	Y Norwood
Y Young	Y Shook	Y Maddox	E Willis
Y Winslow	NV Muller	Y Boazman	B Woolard

03-R-1030

03-1-1030

(Do Not Write Above This Line)

A RESOLUTION BY TRANSPORTATION COMMITTEE

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ADOPTED BY JUL 07 2003 COUNCIL

SUBSTITUTE

- CONSENT REFER
- REGULAR REPORT REFER
- ADVERTISE & REFER
- 1st ADOPT 2nd READ & REFER
- PERSONAL PAPER REFER

Date Referred _____
 Referred To: _____
 Date Referred _____
 Referred To: _____
 Date Referred _____
 Referred To: _____

First Reading

Committee _____
 Date _____
 Chair _____
 Referred To _____

Committee *TRANSPORTATION*

Date *7/2/03*

Action Fav, Adv, Hold (see rev. side)

CONSULTANTS
Other Members

Walter Smith
Debra K. Miller
David Miller
 Refer To *MS*

Committee _____

Date _____

Action Fav, Adv, Hold (see rev. side)

Other Members

Refer To _____

Committee _____

Date _____

Chair _____

Action Fav, Adv, Hold (see rev. side)

Other Members

Committee _____

Date _____

Chair _____

Action Fav, Adv, Hold (see rev. side)

Other Members

Refer To _____

Refer To _____

- FINAL COUNCIL ACTION
- 2nd
 - 1st & 2nd
 - 3rd
 - Consent
 - V Vote
 - RC Vote

CERTIFIED

CERTIFIED JUL 7 2003

Debra K. Miller
COUNCIL PRESIDENT PROTEM

CERTIFIED JUL 07 2003

[Signature]
DEPUTY MUNICIPAL CLERK
MAYOR'S ACTION

[Signature]