



CITY COUNCIL
ATLANTA, GEORGIA

A RESOLUTION

04- R-0637

BY TRANSPORTATION COMMITTEE

A RESOLUTION AUTHORIZING THE MAYOR OR HER DESIGNEE TO EXECUTE AN AMENDMENT NO. 1 TO THE LEASE AGREEMENT FOR AIRCRAFT MAINTENANCE HANGAR FACILITY WITH AIRTRAN AIRWAYS, INC. TO PROVIDE FOR CONSTRUCTION OPERATION AND MAINTENANCE OF AN AIRCRAFT MAINTENANCE HANGAR FACILITY ON TRACT 6A AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT, SO AS TO INCREASE THE MAXIMUM AMOUNT OF CONSTRUCTION REIMBURSEMENT FROM \$14.5 MILLION TO \$17.0 MILLION, AN INCREASED AMOUNT OF \$2.5 MILLION TO BE CHARGED TO AND PAID FROM FUND ACCOUNT CENTER 2H21 573001 R21E05079999 (RENEWAL AND EXTENSION FUND); AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta ("City") owns and operates the Hartsfield-Jackson Atlanta International Airport ("Airport") upon which there exists certain lands and facilities for the lease and use by airlines and other aeronautical users; and

WHEREAS, the City and AirTran Airways, Inc., ("AirTran") are parties to a Lease Agreement for Aircraft Maintenance Hanger Facility at Hartsfield-Jackson Atlanta International Airport - Tract 6A ("Lease Agreement"), dated January 31, 2003, covering the construction, establishment and occupancy of an Aircraft Maintenance Hangar Facility, as authorized by Resolution No. 02-R-1493 adopted September 3, 2002, and approved on September 11, 2002, which among other things, provides for the reimbursement of construction by the City to AirTran in an amount not to exceed \$14.5 million; and

WHEREAS, costs associated with the design and construction of the Aircraft Maintenance Hangar Facility will exceed the approved maximum amount to be reimbursed by \$2.5 million; and

WHEREAS, it is in the best interest of the City to amend the Lease Agreement to approve for a reimbursement of the additional design and construction amount.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA that the Mayor or her designee be and hereby is authorized to execute on behalf of the City of Atlanta an Amendment No. 1 to the Lease Agreement for Aircraft Maintenance Hangar Facility with AirTran Airways, Inc., covering the construction, establishment and occupancy of an Aircraft Maintenance Hangar Facility at Hartsfield-Jackson Atlanta International Airport, which amendment shall provide for an increase in the maximum amount of construction reimbursement from \$14.5 million to an amount not to exceed \$17.0 million, an increased amount of \$2.5 million to be paid from Fund Account Center No. 2H21 573001 R21E05079999 (Renewal and Extension Fund).



BE IT FURTHER RESOLVED, the rental for the use by AirTran of the Hangar will be increased to reflect the incremental investment to be made by the City to reflect the full recovery of the investment made at the rate and term specified in the Lease Agreement.

BE IT FURTHER RESOLVED that the City Attorney be and hereby is directed to prepare said Amendment No. 1 for execution by the Mayor.

BE IT FINALLY RESOLVED that said Amendment No. 1 shall not become binding upon the City, and the City shall incur no obligation or liability thereunder until same has been signed by the Mayor and delivered to AirTran.

A true copy,

Rhonda Dauphin Johnson
Municipal Clerk, CMC

ADOPTED by the Council
APPROVED by the Mayor

May 3, 2004
May 11, 2004

TRANSMITTAL FORM FOR LEGISLATION

To Mayor's Office: Greg Pridgeon

General Manager's Signature: 



From: Originating Dept. Aviation

Contact: Anita Williams 404-530-6600

Committees of Purview: TC

Committee Deadline: 04/16/04

Committee Meeting Dates: 04/28/04

Council Meeting: 05/03/04

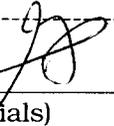
CAPTION:

A RESOLUTION AUTHORIZING THE MAYOR OR HER DESIGNEE TO EXECUTE AN AMENDMENT NO. 1 TO THE LEASE AGREEMENT FOR AIRCRAFT MAINTENANCE HANGAR FACILITY WITH AIRTRAN AIRWAYS, INC. TO PROVIDE FOR CONSTRUCTION OPERATION AND MAINTENANCE OF AN AIRCRAFT MAINTENANCE HANGAR FACILITY ON TRACT 6A AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT, SO AS TO INCREASE THE MAXIMUM AMOUNT OF CONSTRUCTION REIMBURSEMENT FROM \$14.5 MILLION TO \$17.0 MILLION, AN INCREASED AMOUNT OF \$2.5 MILLION TO BE CHARGED TO AND PAID FROM FUND ACCOUNT CENTER 2H21 573001 R21E05079999 (RENEWAL AND EXTENSION FUND); AND FOR OTHER PURPOSES.

BACKGROUND/DISCUSSION: The City of Atlanta and AirTran Airways entered into a Lease Agreement dated January 31, 2003 covering an Aircraft Maintenance Hangar Facility at Hartsfield-Jackson Atlanta International Airport. Under the Lease Agreement, the City will reimburse AirTran for costs associated with the design and construction of an Aircraft Maintenance Hangar Facility, in an amount not to exceed \$14.5 million. Due to unforeseen events, circumstances, and discoveries during construction, AirTran's scope of work changed to include additional work in the amount of \$2.5 million. It is in the best interest of the City to amend the Lease Agreement with AirTran to increase the reimbursement amount from \$14.5 million to \$17.0 million. This Resolution is necessary to amend the Lease Agreement for Aircraft Maintenance Hangar Facility with AirTran.

FINANCIAL IMPACT: \$2.5 million **SOURCE:** Airport Renewal & Extension Fund

Mayor's Staff Only:

Received by Mayor's Office: 4.2.04  Reviewed: 
(date) (initials) (date)

Submitted to Council: _____
(date)

Action by Committee: _____ Approved _____ Adversed _____ Held
_____ Amended _____ Substitute _____ Referred _____ Other



BE IT FURTHER RESOLVED, the rental for the use by AirTran of the Hangar will be increased to reflect the incremental investment to be made by the City to reflect the full recovery of the investment made at the rate and term specified in the Lease Agreement.

BE IT FURTHER RESOLVED that the City Attorney be and hereby is directed to prepare said Amendment No. 1 for execution by the Mayor.

BE IT FINALLY RESOLVED that said Amendment No. 1 shall not become binding upon the City, and the City shall incur no obligation or liability thereunder until same has been signed by the Mayor and delivered to AirTran.

04-¹-0637
 (Do Not Write Above This Line)

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- CONSENT REFER
- REGULAR REPORT REFER MAY 3 2004
- ADVERTISE & REFER
- 1st ADOPT 2nd READ & REFER
- PERSONAL PAPER REFER

ADOPTED BY COUNCIL
 Date Referred
 Referred To:
 Date Referred
 Referred To:
 Date Referred
 Referred To:

First Reading
 Committee _____
 Date _____
 Chair _____
 Referred To _____

Committee TRANSPORTATION
 Date 4/28/04
 Chair Theresa Proctor
 Action _____
 Fav, Adv, Hold (see rev. side) _____
 Other _____

Members _____
 Date _____
 Refer To _____

Committee _____

Date _____
 Chair _____
 Action _____
 Fav, Adv, Hold (see rev. side) _____
 Other _____

Members _____

Refer To _____

Committee _____

Date _____
 Chair _____
 Action _____
 Fav, Adv, Hold (see rev. side) _____
 Other _____

Members _____

Refer To _____

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

CERTIFIED
 MAY 3 2004
 COUNCIL PRESIDENT PROTTEM

CERTIFIED
 MAY 3 2004

MAYOR'S ACTION

APPROVED
 MAY 11 2004
 MAYOR