

**A RESOLUTION
BY TRANSPORTATION COMMITTEE**

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AMENDMENT NO. 3 TO THE LEASE AGREEMENT WITH AIRTRAN AIRWAYS, INC. TO PROVIDE FOR THE ADDITION OF APPROXIMATELY 3.8 ACRES OF SPACE LOCATED ADJACENT TO THE AIRTRAN HANGAR FACILITY AT THE HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT AND REIMBURSEMENT TO THE AIRLINE, TO BE FUNDED FROM FINANCIAL INSTRUMENTS ISSUED IN FISCAL YEAR 2009; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta (“City”) and AirTran Airways, Inc. (“Airline”), are parties to the Lease Agreement for Aircraft Maintenance Facility at Hartsfield-Jackson Atlanta International Airport (“Lease Agreement”), dated January 31, 2003, as authorized by Resolution No. 02-R-1493, as heretofore amended; and

WHEREAS, Airline currently leases 6.51 acres (283,618.96 square feet) of space at the Hartsfield Jackson Atlanta International Airport (“Airport”) to operate an aircraft maintenance hangar; and

WHEREAS, Airline has exercised an option contained in the Lease Agreement and seeks additional space at the Airport as shown on Exhibit “A” attached hereto, for use in constructing an expanded aircraft parking pad, aircraft ramp, vehicle parking and other ancillary construction projects (“Construction Project”); and

WHEREAS, the City will agree to invest in the Construction Project at a cost not to exceed \$6 million and will retain title to the improvements; and

WHEREAS certain minor revisions are being made to the total existing and proposed leasehold area (approximately 449,247 square feet) to accommodate existing roadway and clearance requirements at the Airport; and

WHEREAS, it is in the best interest of the City to amend the Lease Agreement in order to approve the granting of the additional space, the reimbursement to the Airline for the design and construction of these improvements and the revisions to the existing leasehold and use of space.

WHEREAS, the Department of Aviation is working with the Department of Finance to issue financial instruments in Fiscal Year 2009 timeframe to, in part,

fund this project, and the City Chief Financial Officer will certify in writing the appropriation and encumbrance of funds.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, that the Mayor is authorized to execute on behalf of the City of Atlanta Amendment No. 3 to the Lease Agreement for Aircraft Maintenance Hangar Facility with AirTran Airways, Inc. under which AirTran Airways shall add to their leased premises the Additional Premises, with a corresponding adjustment of the rentals and other charges for such premises, revise their existing lease premises and make certain other operational adjustments as outlined above. This amendment shall provide for construction reimbursement in an amount not to exceed \$6 million.

BE IT FURTHER RESOLVED that the City Attorney be and hereby is directed to prepare said Amendment No. 3 and any other necessary agreements for execution by the Mayor.

BE IT FINALLY RESOLVED that said Amendment will not become binding upon the City of Atlanta, and the City of Atlanta will incur no obligation or liability thereunder until same has been executed by the Mayor, approved as to form by the City Attorney, attested to by the Municipal Clerk and delivered to AirTran Airways, Inc.

Part II: Legislative White Paper: (This portion of the Legislative Request Form will be shared with City Council members and staff)

A. To be completed by Legislative Counsel:

Committee of Purview:

Caption:

Council Meeting Date:

Requesting Dept.:

FAC Confirmed by:

B. To be completed by the department:

1. Please provide a summary of the purpose of this legislation (Justification Statement).

To execute an Agreement to allow AirTran to construct additional parking adjacent to their hangar facility and to invest in the expansion.

2. Please provide background information regarding this legislation.

The original Lease Agreement for AirTran's hangar facility provided for an option to lease additional space. AirTran has exercised this option and wishes to construct an expansion of their aircraft parking and vehicle parking adjacent to their current aircraft maintenance hangar facility. The aircraft expansion will include infrastructure to support the potential development of a future second aircraft maintenance hangar. The project also requires the lease of small parcels of land from the City and from ASA.

AirTran has requested that the City invest in the construction of the improvements, not to exceed \$6 million.

In addition, this lease amendment provides for certain adjustments to the original and option leaseholds to exclude the current location of the fuel farm roadway, to guarantee adequate taxiway clearance and also provides for certain minor revisions to AirTran's permitted use of space at the Airport.

3. If Applicable/Known:

(a) **Contract Type (e.g. Professional Services, Construction Agreement, etc):**

(b) **Source Selection:**

(c) **Bids/Proposals Due:**

- (d) Invitations Issued:
- (e) Number of Bids:
- (f) Proposals Received:
- (g) Bidders/Proponents:
- (h) Term of Contract:

4. Fund Account Center (Ex. Name and number):

Fund: _____ Account: _____ Center: _____

5. Source of Funds: *Example: Local Assistance Grant*

6. Fiscal Impact:

Example: This legislation will result in a reduction in the amount of _____ to Fund Account Center Number _____.

7. Method of Cost Recovery: Rental revenues

Examples:

- a. Revenues generated from the permits required under this legislation will be used to fund the personnel needed to carry out the permitting process.*
- b. Money obtained from a local assistance grant will be used to cover the costs of this Summer Food Program.*

This Legislative Request Form Was Prepared By: Liza Littrell

TRANSMITTAL FORM FOR LEGISLATION

TO: MAYOR'S OFFICE

ATTN: GREG PRIDGEON

Dept.'s Legislative Liaison: Anita Williams

Contact Number: 404-530-6600

Originating Department: Aviation

Committee(s) of Purview: Transportation

Chief of Staff Deadline: 5/14/08

Anticipated Committee Meeting Date(s): 5/28/08

Anticipated Full Council Date: 6/02/08



Commissioner Signature: 

CAPTION

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AMENDMENT NO. 3 TO THE LEASE AGREEMENT WITH AIRTRAN AIRWAYS, INC. TO PROVIDE FOR THE ADDITION OF APPROXIMATELY 3.8 ACRES OF SPACE LOCATED ADJACENT TO THE AIRTRAN HANGAR FACILITY AT THE HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT AND REIMBURSEMENT TO THE AIRLINE, TO BE FUNDED FROM FINANCIAL INSTRUMENTS ISSUED IN FISCAL YEAR 2009; AND FOR OTHER PURPOSES.

FINANCIAL IMPACT (if any) Mayor's Staff Only

Received by CPO: _____ Received by LC from CPO: _____
(date) (date)

Received by Mayor's Office: 5-14-08  Reviewed by: 
(date) (date)

Submitted to Council: _____
(date)