

**A RESOLUTION BY
TRANSPORTATION COMMITTEE**

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A LEASE AGREEMENT WITH CONTINENTAL AIRLINES, INC. COVERING THE OCCUPANCY AND USE OF CARGO WAREHOUSE SPACES AND OFFICE SUITES IN THE NORTH CARGO BUILDING AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta (the "City") has developed the North Cargo Building at Hartsfield-Jackson Atlanta International Airport (the "Airport") for air cargo and air freight business at the Airport; and

WHEREAS, Continental Airlines, Inc. ("Continental") is engaged in air carrier activity and has requested a lease of space in the North Cargo Area depicted on Exhibit A; and

WHEREAS, Continental previously conducted its operations at North Cargo Building under an operating agreement with Aircraft Service Group International (ASIG), whose lease with the City expired January 3, 2004. ASIG continued to manage the North Cargo Building until the Airport gave notice to ASIG to cease operation of the building and vacate the premises effective July 1, 2006. The Airport is now managing the building, the existing tenants of the building and the aircraft ramp; and

WHEREAS, the Airport has negotiated lease terms with existing tenants, including Continental, and will submit such terms for approval by Council; and

WHEREAS, the term of a lease with Continental shall not exceed December 31, 2013; and

WHEREAS, the payment of rental for the lease of space shall be computed at the rates that are applicable to all tenants in the North Cargo Facility; and

WHEREAS, the payment of an operating and maintenance charge ("O&M charge") will be based on the actual cost incurred by the City for operating and maintaining the common use areas and facilities, and the common utilities of the North Cargo Building. The O&M charge will be subject to periodic reconciliation against the City's actual costs incurred, at the tenants' expense or benefit; and

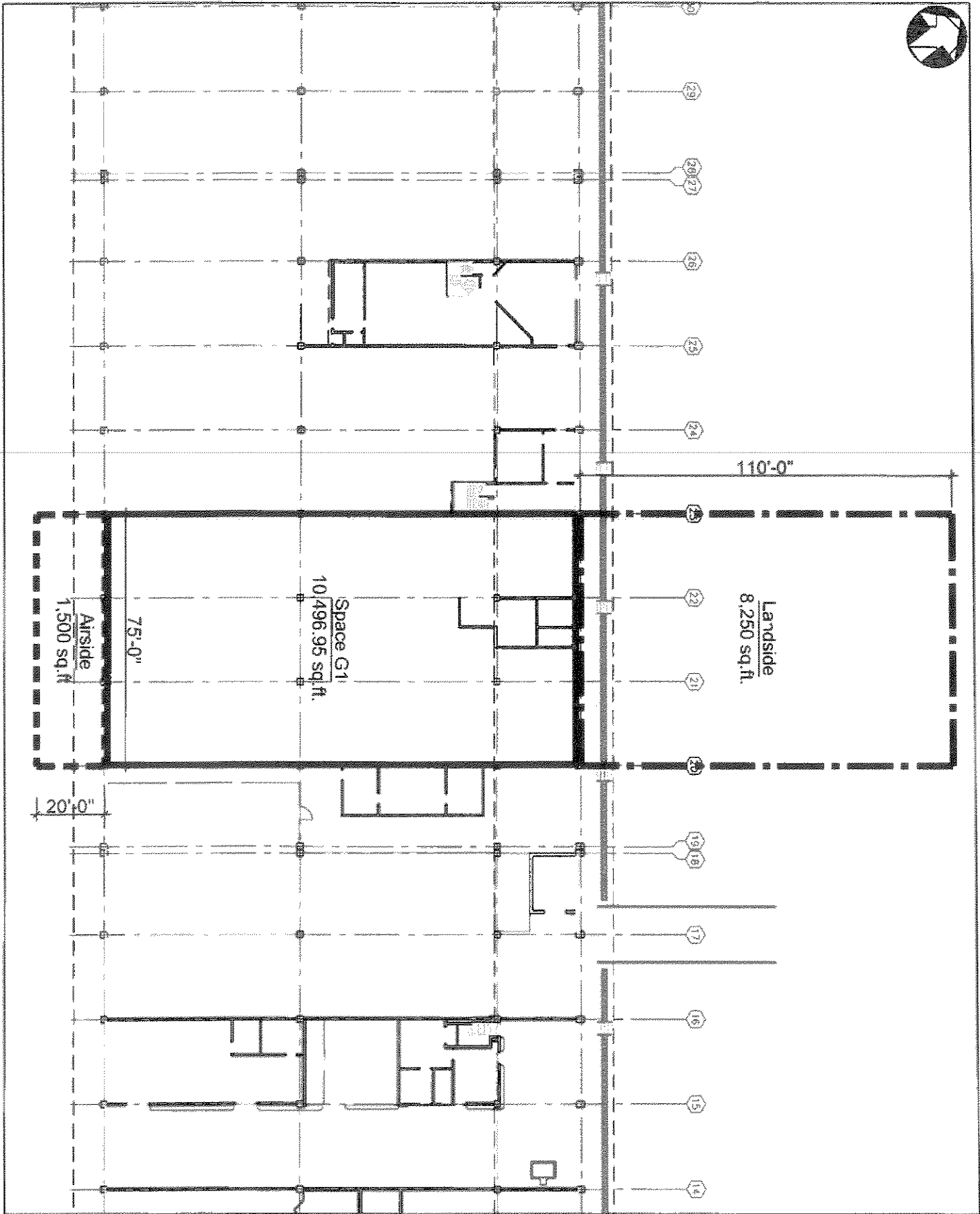
WHEREAS, Continental, at no expense to the City, shall be responsible for maintenance and repairs of the leased premises; and

WHEREAS, the Aviation General Manager has determined that sufficient space is available in the North Cargo Building to meet Continental's requirements and has recommended that the City of Atlanta enter into a lease agreement on the conditions hereinbefore set forth and as otherwise appropriate.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, that the Mayor is authorized to execute on behalf of the City of Atlanta a lease agreement with Continental which shall provide for the occupancy and use by Continental of space in the North Cargo Building for a term not to exceed December 31, 2013 at a rental payment for the leased space computed at the market rate that is applicable to all tenants in the North Cargo Facility and where all maintenance and repairs of the premises shall be at the expense of Continental.

BE IT FURTHER RESOLVED, that the City Attorney is directed to prepare said agreement for execution by the Mayor, with same to be approved as to form by the City Attorney.

BE IT FINALLY RESOLVED, that said Agreement shall not become binding on the City and the City shall incur no liability hereunder until the same has been signed by the Mayor and delivered to the Continental.

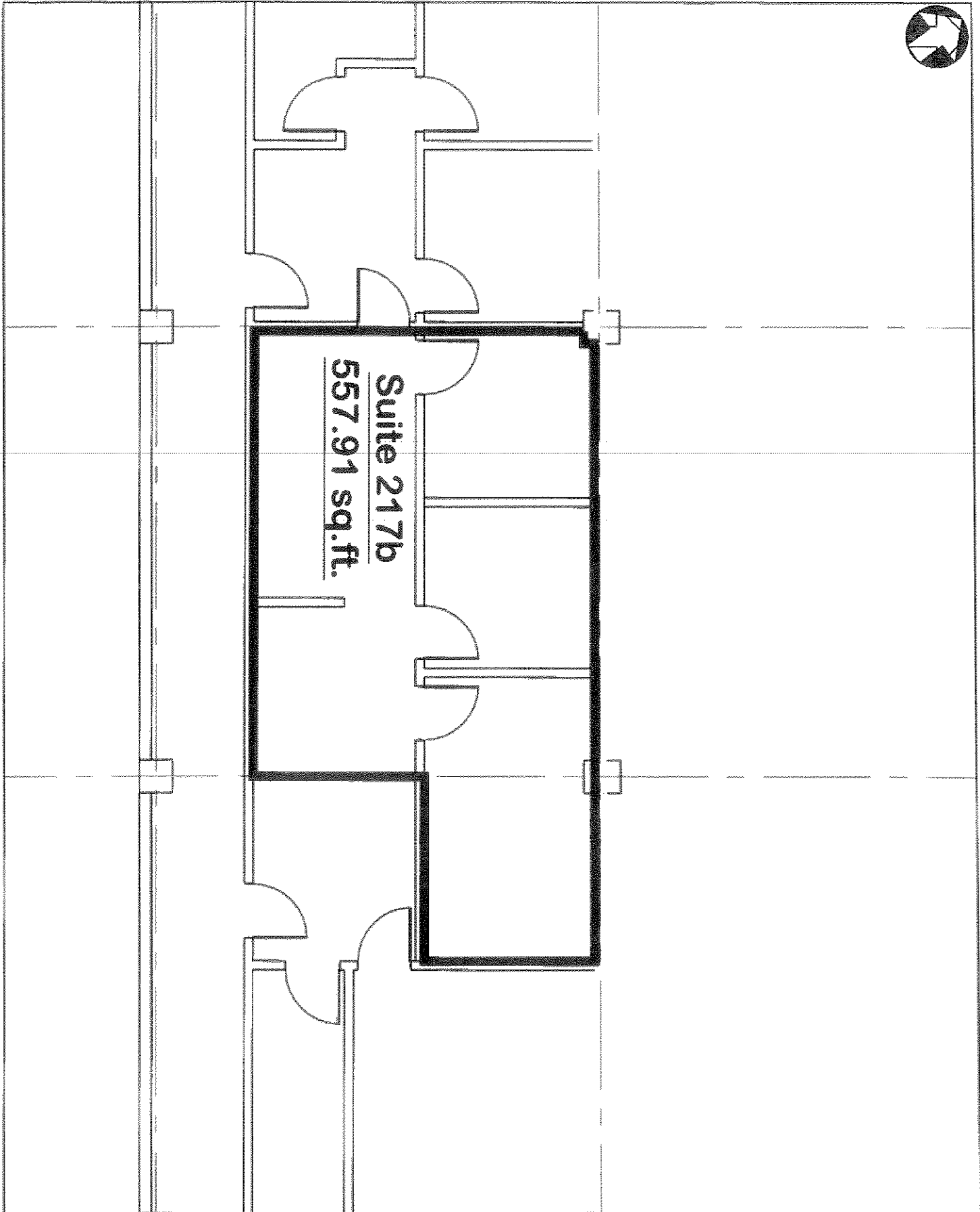


**Hartsfield-Jackson Atlanta
International Airport**

TITLE: **CONTINENTAL AIRLINES**
H-JAIA LEASE AGREEMENT
LOCATION: **NORTH CARGO FACILITY**

NAME: **EXHIBIT 'A'**

DATE: 02/15/08
SHEET: 1 of 2



Suite 217b
557.91 sq.ft.

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).

This Legislation is requesting the approval from Council for the Mayor to execute a lease agreement between the City of Atlanta and Continental Airlines, Inc.

2. Please provide background information regarding this legislation.

This resolution will allow the continuation of Continental Airlines, Inc's cargo operation in the North Cargo Building. Continental Airlines, Inc. conducted its operations at North Cargo Building Space "G1" under an operating agreement with Aircraft Service Group International ("ASIG") as successor to Lockheed Air Terminal, Inc. Continental Airlines, Inc. previously conducted its operations at North Cargo Building under an operating agreement with Aircraft Service Group International (ASIG), whose lease with the City expired January 3, 2004. ASIG continued to manage the North Cargo Building until the City gave notice to ASIG to cease operation of the building and vacate the premises effective July 1, 2006. At that time, the City took back the space and took over the management of the building and aircraft ramp, as well as began dialogue and negotiations with the numerous subtenants in order to identify tenant needs, evaluate market pricing and potential allocation of leasehold space.

Continental Airlines, Inc. desires to continue its operations at the North Cargo Building Space "G1" and is willing to negotiate lease terms acceptable to the City.

Continental Airlines, Inc. currently operates numerous passenger flights at HJAI.

The expected revenue from this agreement is \$181,892.50 annually (*\$15,157.71 monthly*) and Continental Airlines, Inc. is in good standing with the City.

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: H. Jason Terreri

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: 9/17/08

Anticipated Committee Meeting Date(s): 10/01/08

Anticipated Full Council Date: 10/06/08

Commissioner Signature: 

CAPTION

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A LEASE AGREEMENT WITH CONTINENTAL AIRLINES, INC. COVERING THE OCCUPANCY AND USE OF CARGO WAREHOUSE SPACES AND OFFICE SUITES IN THE NORTH CARGO BUILDING AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.

FINANCIAL IMPACT (if any)

Mayor's Staff Only

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

Received by Mayor's Office: 9.17.08  Reviewed by:  (date)

Submitted to Council: _____ (date)