

**A RESOLUTION BY
TRANSPORTATION COMMITTEE**

A RESOLUTION ON BEHALF OF THE DEPARTMENT OF AVIATION AUTHORIZING THE MAYOR TO EXECUTE A THREE-YEAR RENEWAL OF LEASE AGREEMENT FC-7314-01, FOREIGN CURRENCY EXCHANGE AND BUSINESS SERVICES CONCESSIONS WITH TRAVELEX CURRENCY SERVICES, INC.; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta (the "City"), as owner and operator of the Hartsfield-Jackson Atlanta International Airport (the "Airport") entered into this Lease Agreement FC-7314 (the "Agreement"), with Travelex Currency Services, Inc. (the "Tenant"), as authorized by Resolution 03-R-0146; and

WHEREAS, the Agreement had an initial term of five (5) years and included an option to renew for an additional three (3) years at the sole discretion of the City; and

WHEREAS, the initial term of the Agreement expired on January 14, 2009; and

WHEREAS, pursuant to Section 2-1206 of the Atlanta City Code, the Chief Procurement Officer extended the Agreement for ninety (90) days, which extension will expire on April 14, 2009; and

WHEREAS, the Aviation General Manager is satisfied with the Tenant's performance and believes the renewal of the Agreement for three (3) years is appropriate and in the best interest of the City; and

WHEREAS, accordingly, the Chief Procurement Officer and Aviation General Manager have recommended that the Agreement be renewed for three years.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, that the Mayor is authorized to execute a three-year renewal of the Agreement (the "Renewal"), as provided in the Agreement.

BE IT FURTHER RESOLVED, that the City Attorney is directed to prepare the Renewal for execution by the Mayor.

BE IT FINALLY RESOLVED, that the Renewal will not become binding on the City, and the City will not incur either obligation or liability under it until it has been executed by the Mayor, attested to by the Municipal Clerk, and approved as to form by the City Attorney and delivered to Tenant

CITY OF ATLANTA
SHIRLEY C. FRANKLIN, MAYOR



LEASE AGREEMENT

**FOR FOREIGN CURRENCY EXCHANGE AND
BUSINESS SERVICES CONCESSIONS**

AT THE

**HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT
ATLANTA, GEORGIA**

LANDLORD: CITY OF ATLANTA
TENANT: TRAVELEX CURRENCY SERVICES, INC.

FC-7314-01

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EXHIBITS

Exhibit A	Description/Map of Premises Location
Exhibit B	Copy of City Council Resolution
Exhibit C	Equal Employment Opportunity Policy
Exhibit D	Customer Service Standards
Exhibit E	Customer Service Training and Fees

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).

Travelex Currency Services, Inc. has successfully operated ten (10) separate foreign currency exchanges and business services concession locations on Concourse E beginning in January 2004.

They were awarded a five (5)-year agreement to operate foreign currency exchange services through a competitive RFP process and served as the top ranked proponent (FC-7314-01). In December 2008, the City's Department of Procurement granted a ninety (90) day extension prior to the original expiration date of January 14, 2009 with a new effective expiration date of April 14, 2009. Section 2.1 of the Lease Agreement gives the City the right to extend the Agreement an additional three (3) years. The tenant is required to refurbish the public areas of the Premises (including common areas) at a minimum investment of one hundred dollars (\$100) per square foot.

Travelex Currency Services has performed well during their tenure in operating on Concourse E at Hartsfield-Jackson. Over the last four years (2005 – 2008), the airport has experienced growth in its international passenger count by roughly 33% (thirty three percent); while Travelex has grown sales, and therefore rental revenue to the City, by nearly twice that rate. The average sales growth averaged \$180.00 in 2005 compared to \$220.00 in 2008.

In response to the current economic environment, Travelex has presented plans for store enhancements that have been approved by the Department of Aviation. Examples of such range from the conversion of U.S. ATM to Foreign Currency ATM, allowing passengers to use ATM, Debit, or Credit Cards to obtain foreign currency and not wait in line to make a purchase; as well as the introduction of a mobile unit, as seen in other major airports throughout the country. This will only further enhance availability of foreign currency services on the concourse. We anticipate an additional \$1.8 million in gross sales and projected

rent of \$120,848 from the following initiatives. In addition, to foreign currency concepts, the company through its partnership with its subcontractor, Business Traveler Services (BTS), will provide basic services such as calling card, neat receipts, internet service, data port couples etc. throughout select hold rooms catering to international passengers.

The average sales growth has come primarily as a result of increasing Average Transaction Values due to Travelex's ever-improving standards for sales and service delivered by the front line staff and from innovative new products and promotions, for example Travelex's exclusive "Value Pack" concept. Over the years, Travelex continues to provide excellent quality assurance inspection scores where they have scored 100% receiving the highest score of 7 (being the highest) during Year 2008. The inspections covered customer service compliance; facilities and appearance; and merchandising and pricing.

2. Please provide background information regarding this legislation.

In March 2002, the City began advertising an RFP (FC-7314-01) process to select a company to construct, fit, and finish, and manage three (3) currency exchange locations and seven (7) business services locations on Concourse E. The term of the proposed agreement was five (5) years with one (1) three (3) year renewal at the City's option.

The contract commenced on January 14, 2004, therefore establishing a January 14, 2009 as the expiration date.

Travelex Services, Inc. is in several airports such as Dallas Fort-Worth, Raleigh-Durham, and Washington Dulles. They have a proven track record growing the business at Hartsfield-Jackson. Travelex's ATL Conversion Rate, which is the percentage of international passengers that do a currency transaction, is at the top of the U.S. airport scale, particularly with favorable gaps relative to those airports where currency exchange is operated by a Travelex competitor

They have paid the City approximately **\$3.14 million** in **2008**.

The rent figure established a new **Minimum Annual Guarantee of \$2.7 million** for the remaining life of the Travelex lease.

3. If Applicable/Known:

- (a) Contract Type (e.g. Professional Services, Construction Agreement, etc): Concession**
- (b) Source Selection: N/A**
- (c) Bids/Proposals Due: N/A**
- (d) Invitations Issued: NA**
- (e) Number of Bids: N/A**

(f) Proposals Received: 0

(g) Bidders/Proponents: 0

(h) Term of Contract: One Three Year Extension.

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

Fund: NA Account: NA Center: NA

5. Source of Funds: *Example: Local Assistance Grant* N/A

6. Fiscal Impact: Revenue Generating

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

7. Method of Cost Recovery: N/A

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: Marshall Taggart, Jr., Concessions Manager

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: 2/24/09

Anticipated Committee Meeting Date(s): 3/11/09

Anticipated Full Council Date: 3/16/09

Commissioner Signature: *Maudie*

Chief Procurement Officer Signature: *Adam Johnson*

CAPTION

A RESOLUTION ON BEHALF OF THE DEPARTMENT OF AVIATION AUTHORIZING THE MAYOR TO EXECUTE A THREE-YEAR RENEWAL OF LEASE AGREEMENT FC-7314-01, FOREIGN CURENCY EXCHANGE AND BUSINESS SERVICES CONCESSIONS WITH TRAVELEX CURRENCY SERVICES, INC.; 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: 2-19-09 *RP* Reviewed by: *[Signature]* (date)

Submitted to Council: _____ (date)

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