

10- R-1578

(Do Not Write Above This Line)

First Reading

Committee _____
Date _____
Chair
Referred To _____

FINAL COUNCIL ACTION

- 2nd
- 1st & 2nd
- Readings
- Consent
- V Vote
- RC \

**A RESOLUTION BY
TRANSPORTATION COMMITTEE**

A RESOLUTION AMENDING
RESOLUTION 10-R-1406 TO
INCORPORATE THE TERMS FOR
SUPPLEMENTAL RENTAL
PAYMENTS TO BE MADE TO THE
CITY OF ATLANTA BY ATLANTIC
SOUTHEAST AIRLINES, INC. FOR ITS
OCCUPANCY AND USE OF CERTAIN
PREMISES LOCATED AT
HARTSFIELD-JACKSON ATLANTA
INTERNATIONAL AIRPORT; AND
FOR OTHER PURPOSES.

ADOPTED BY

SEP 07 2010

COUNCIL

- 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

Committee
TRANSPORTATION

Date
9-1-10

Chair
C.H.

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

Members

[Signatures]

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

Committee

Date

Chair

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

Members

Refer To

CERTIFIED

CERTIFIED
SEP 07 2010
ATLANTA CITY COUNCIL PRESIDENT
[Signature]

CERTIFIED
SEP 07 2010
Ronda Daughin Johnson
MUNICIPAL CLERK

MAYOR'S ACTION

APPROVED

SEP 16 2010

WITHOUT SIGNATURE
BY OPERATION OF LAW



**A RESOLUTION BY
TRANSPORTATION COMMITTEE**

A RESOLUTION AMENDING RESOLUTION 10-R-1406 TO INCORPORATE THE TERMS FOR SUPPLEMENTAL RENTAL PAYMENTS TO BE MADE TO THE CITY OF ATLANTA BY ATLANTIC SOUTHEAST AIRLINES, INC. FOR ITS OCCUPANCY AND USE OF CERTAIN PREMISES LOCATED AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta (“City”) and Atlantic Southeast Airlines, Inc. (“Airline”) entered into an Agreement and Lease of Premises (“CPTC Lease”), dated October 1, 1990, covering the occupancy and use of certain facilities in the Terminal Building and Concourses of the Central Passenger Terminal Complex (“CPTC”) at Hartsfield-Jackson Atlanta International Airport; and

WHEREAS, on August 20, 2010, the Atlanta City Council approved Resolution 10-R-1406 (“Resolution”) which granted authority to amend and extend Airline’s CPTC Lease; and

WHEREAS, the amendment (“Amendment”) authorized by the Resolution has not been executed; and

WHEREAS, the City now seeks approval to accept a supplemental rental payment from the Airline under terms outlined in Exhibit A attached and desires to amend the Resolution to reflect that approval; and

THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA, HEREBY RESOLVES, that the Resolution is amended to authorize the receipt by the City of a supplemental rental payment under the same or substantially similar terms set forth in Exhibit A attached.

BE IT FINALLY RESOLVED, that the Amendment be prepared by the City Attorney to reflect the terms of the Resolution, as amended by this legislation.

A true copy,

Rhonda Daughlin Johnson
Municipal Clerk

ADOPTED by the Atlanta City Council
RETURNED WITHOUT SIGNATURE OF THE MAYOR
APPROVED as per City Charter Section 2-403

SEP 07, 2010

SEP 16, 2010



EXHIBIT A

25 August 2010

Terms for Amendment to CPTC Lease Agreement

1. Beginning in Fiscal Year 2013 through Fiscal Year 2016, the CPTC Lease Signatory Airlines and other airlines ("airlines") will pay, in addition to all other rentals, charges, and credits due from/to such airlines, a Supplemental Terminal Rental in each Fiscal Year, as scheduled below, in a not-to-exceed aggregate amount of \$30.0M as defined below:
 - FY 2013: \$12.0M
 - FY 2014: \$8.0M
 - FY 2015: \$5.0M
 - FY 2016: \$5.0M
2. Supplemental Terminal Rental due in each Fiscal Year shall be paid in equal monthly installments by each airline. The portion of the Supplemental Terminal Rental due from each airline shall be calculated pursuant to Joint Lease Formula No. 1 as historically applied by City.
3. For Fiscal Years 2015, 2016 and 2017, the City will pay to the airlines certain amounts ("Contractual Payments") as calculated below, if any are due, from its Renewal and Extension ("R&E") Fund, in accordance with the following terms:
 - 30 days prior to the end of each of FY 2015, 2016 and 2017, the City shall compute the projected Net Revenues, as defined in the Master Bond Ordinance, including without limitation Section 5.02, as supplemented, inclusive of Supplemental Terminal Rentals.
 - Projected Net Revenues for the Fiscal Year shall then be divided by the General Airport Revenue Bond ("GARB") debt service as determined by the City in accordance with the applicable provisions of the Master Bond Ordinance (which excludes from the calculation PFC revenues and debt service for other types of bonds, such as PFC backed bonds) for the same Fiscal Year to determine the projected GARB Debt Service Coverage Ratio ("DSCR").
 - Contractual Payments in any Fiscal Year shall equal the greater of:
 - i. Zero, or
 - ii. The sum of projected Net Revenues as calculated above minus 150% of the General Airport Revenue Bond debt service due in the



same Fiscal Year.

- The City shall not be obligated to make any Contractual Payment that would result in payment of a cumulative amount of Contractual Payments exceeding \$30M.

Example Calculation Shown Below:

(\$'s in millions)

	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>
Operating Income Before Depreciation and Amortization	\$ 194.2	\$ 243.3	\$ 265.4	\$ 269.3	\$ 271.8	\$ 274.3
Airline Supplemental Terminal Rental Payment	\$ -	\$ 12.0	\$ 8.0	\$ 5.0	\$ 5.0	\$ -
Investment Income on the Operating Fund and R&E Fund	<u>\$ 9.0</u>					
Net Revenues	\$ 203.2	\$ 264.3	\$ 282.4	\$ 283.3	\$ 285.8	\$ 283.3
Estimated General Airport Revenue Bond (GARB) Debt Service	\$ 117.8	\$ 184.7	\$ 190.2	\$ 185.1	\$ 185.1	\$ 185.0
Estimated GARB Debt Service Coverage Ratio	1.73	1.43	1.48	1.53	1.54	1.53
150% of the Estimated GARB Debt Service Coverage Ratio	\$ 176.7	\$ 277.0	\$ 285.3	\$ 277.7	\$ 277.7	\$ 277.5
Contractual Payments (amount in excess of 150% of DSCR)	-	-	-	\$ 5.65	\$ 8.15	\$ 5.80



- The City shall make Contractual Payments to the airlines prior to the end of each respective Fiscal Year with a true-up 30 days, up or down, after release of audited financial statements for such Fiscal Year. The Contractual Payments shall be made based upon Joint Lease Formula No. 1.
 - Contractual Payments shall not be paid to any airline that is no longer serving the Airport, or to any airline that has failed to pay in full amounts due under, or is in default of their CPTC Lease Agreement, airport use agreement, or any other CPTC Permits, leases or operating agreements (unless and until such payment failure or default is cured).
 - This Supplemental Terminal Rental shall terminate on June 30, 2017, and City shall make the final Contractual Payments to the airlines in accordance the terms above, but in no case shall the final Contractual Payments be paid later than September 1, 2017. The parties will have no further obligations under this Amendment.
4. No party shall have any obligation with respect to this arrangement until all necessary and desirable agreements have been fully negotiated, drafted and approved by all requisite corporate and government action.
 - 5 The City shall have the right to terminate this Amendment at any time prior to June 30, 2017, effective immediately upon City's repayment to each Airline of the amount that such Airline previously has paid as Supplemental Terminal Rental. Thereafter, the parties will have no further obligations under this arrangement.

RCS# 523
9/07/10
2:48 PM

Atlanta City Council

REGULAR SESSION

CONSENT I

10-R-1577

ADOPT EXCEPT

YEAS: 12
NAYS: 0
ABSTENTIONS: 0
NOT VOTING: 4
EXCUSED: 0
ABSENT 0

Y Smith	NV Archibong	Y Moore	Y Bond
NV Hall	Y Wan	Y Martin	Y Watson
Y Young	Y Shook	Y Bottoms	NV Willis
Y Winslow	Y Adrean	Y Sheperd	NV Mitchell

CONSENT I

		09-07-10
ITEMS ADOPTED ON CONSENT	ITEMS ADOPTED ON CONSENT	ITEMS ADVERSED ON CONSENT
1. 10-O-1464	38. 10-R-1579	59. 10-R-1507
2. 10-O-1470	39. 10-R-1580	60. 10-R-1508
3. 10-O-1397	40. 10-R-1581	61. 10-R-1509
4. 10-O-1398	41. 10-R-1374	62. 10-R-1510
5. 10-O-1465	42. 10-R-1491	63. 10-R-1511
6. 10-O-1467	43. 10-R-1492	64. 10-R-1512
7. 10-O-1373	44. 10-R-1493	65. 10-R-1513
8. 10-R-1462	45. 10-R-1494	66. 10-R-1514
9. 10-R-1463	46. 10-R-1495	67. 10-R-1515
10. 10-R-1480	47. 10-R-1496	68. 10-R-1516
11. 10-R-1481	48. 10-R-1497	69. 10-R-1517
12. 10-R-1482	49. 10-R-1498	70. 10-R-1518
13. 10-R-1483	50. 10-R-1499	71. 10-R-1519
14. 10-R-1484	51. 10-R-1500	72. 10-R-1520
15. 10-R-1485	52. 10-R-1501	73. 10-R-1521
16. 10-R-1558	53. 10-R-1502	74. 10-R-1522
17. 10-R-1559	54. 10-R-1503	75. 10-R-1523
18. 10-R-1560	55. 10-R-1504	76. 10-R-1524
19. 10-R-1561	56. 10-R-1505	77. 10-R-1525
20. 10-R-1562	57. 10-R-1506	78. 10-R-1526
21. 10-R-1563	58. 10-R-1541	79. 10-R-1527
22. 10-R-1564		80. 10-R-1528
23. 10-R-1565		81. 10-R-1529
24. 10-R-1568		82. 10-R-1530
25. 10-R-1537		83. 10-R-1531
26. 10-R-1538		84. 10-R-1532
27. 10-R-1539		85. 10-R-1533
28. 10-R-1540		86. 10-R-1534
29. 10-R-1543		87. 10-R-1571
30. 10-R-1544		88. 10-R-1572
31. 10-R-1545		
32. 10-R-1546		
33. 10-R-1547		
34. 10-R-1548		
35. 10-R-1549		
36. 10-R-1551		
37. 10-R-1578		