10-R-1580

(Do Not Write Above This Line)

A RESOLUTION
BY TRANSPORTATION COMMITTEE

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AMENDMENT NO. 18 TO THE CENTRAL PASSENGER TERMINAL COMPLEX LEASE AGREEMENT WITH AIRTRAN AIRWAYS, INC. COVERING A SUPPLEMENTAL RENTAL PAYMENT TO THE CITY OF ATLANTA RELATED TO ITS OCCUPANCY AND USE OF CERTAIN FACILITIES AND PREMISES LEASED FROM THE CITY OF ATLANTA 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

Refferred To:

Date Referred

First Reading

Committee
Date
Chair CH
Referred To

Committee	Committee
TRANSPORTATION	
Date 9-1-10	Date
Chair CH	Chair
Action Fav, Adv, Hold (see rev. side) Other	Action Fav, Adv, Hold (see rev. side) Other
Members	Members
Refer To	Refer To

Committee	Committee
Date	Date
Chair	Chair
Action Fav, Adv, Hold (see rev. side) Other	Action Fav, Adv, Hold (see rev. side) Other
Members	Members
Refer To	Refer To

FINAL COUNCIL ACTION

☐ 2nd ☐ 1st & 2nd ☐

Readings

☐ Consent ☐ V Vote ☒ RC V

CERTIFIED

CERTIFIED
SEP 07 2010
ATLANTA CITY COUNCIL PRESIDENT

CERTIFIED
SEP 07 2010
Rhonda Dauphin Johnson
MUNICIPAL CLERK

MAYOR'S ACTION

APPROVED
SEP 1 2 2010
MAYOR

CITY COUNCIL
ATLANTA, GEORGIA

10-R-1580

A RESOLUTION
BY TRANSPORTATION COMMITTEE

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AMENDMENT NO. 18 TO THE CENTRAL PASSENGER TERMINAL COMPLEX LEASE AGREEMENT WITH AIRTRAN AIRWAYS, INC. COVERING A SUPPLEMENTAL RENTAL PAYMENT TO THE CITY OF ATLANTA RELATED TO ITS OCCUPANCY AND USE OF CERTAIN FACILITIES AND PREMISES LEASED FROM THE CITY OF ATLANTA LOCATED AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta ("City") owns and operates Hartsfield-Jackson Atlanta International Airport ("Airport"), located in the Counties of Fulton and Clayton, Georgia, on which there exists certain terminal and concourse buildings and related facilities (collectively, "CPTC") for the use of airlines engaged in the transportation of persons and property by scheduled and unscheduled aircraft service; and

WHEREAS, the City and AirTran Airways, Inc. (the "Airline"), as successor in interest to ValuJet Airlines, Inc. by merger, are parties to an Agreement and Lease of Premises, dated February 19, 1996, and supplemental agreements and amendments to it ("CPTC Lease"), governing Airline's occupancy and use of facilities in the CPTC; and

WHEREAS, Airline and the City have reached agreement on a supplemental rental payment to be made by Airline to City and now desire to amend the Airline's CPTC Lease to address the supplemental rental payment under the same or substantially similar terms set forth on Exhibit A attached.

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, Amendment No. 18 to the Airline's CPTC Lease to address a supplemental rental payment under the same or substantially similar terms set forth on Exhibit A attached.

BE IT FURTHER RESOLVED that the City Attorney is directed to prepare Amendment No. 18 for execution by the Mayor.

BE IT FINALLY RESOLVED that Amendment No. 18 will not become binding upon the City and it will incur no obligation or liability under it until it has been signed by the Mayor, attested to by the Municipal Clerk, approved as to form by the City Attorney and delivered to Airline.

A true copy,
Rhonda Daughtie Johnson
Municipal Clerk

ADOPTED by the Atlanta City Council
APPROVED by Mayor Kasim Reed

SEP 07, 2010
SEP 14, 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)

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
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	$ 9.0	$ 9.0	$ 9.0	$ 9.0	$ 9.0	$ 9.0
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		