

10-B-1581

(Do Not Write Above This Line)

First Reading

Committee _____
Date _____
Chair AL
Referred To _____

FINAL COUNCIL ACTION

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

CERTIFIED

**A RESOLUTION
BY TRANSPORTATION COMMITTEE**

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AMENDMENT NO. 21 TO THE CENTRAL PASSENGER TERMINAL COMPLEX LEASE AGREEMENT WITH DELTA AIR LINES 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

- CONSENT REFER **COUNCIL**
- 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
[Signature]

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

Members
[Signature]
[Signature]
[Signature]
[Signature]

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
SEP 07 2010
ATLANTA CITY COUNCIL PRESIDENT
[Signature]

CERTIFIED
SEP 07 2010
Ronda Daughlin Johnson
MUNICIPAL CLERK

MAYOR'S ACTION

APPROVED
[Signature]
MAYOR

**A RESOLUTION
BY TRANSPORTATION COMMITTEE**

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AMENDMENT NO. 21 TO THE CENTRAL PASSENGER TERMINAL COMPLEX LEASE AGREEMENT WITH DELTA AIR LINES 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 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 Delta Air Lines, Inc. ("Airline") entered into an Agreement and Lease ("CPTC Lease") dated March 22, 1977, as supplemented, amended and extended, covering the 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".

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. 21 to the Airline's CPTC Lease to address the supplemental rental payment under the same or substantially similar terms set forth on Exhibit A.

BE IT FURTHER RESOLVED that the City Attorney is directed to prepare Amendment No. 21 for execution by the Mayor.

BE IT FINALLY RESOLVED that Amendment No. 21 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,

Phonda Daughin 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)

	<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	\$ 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

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