

10-R-1858

(Do Not Write Above This Line)

A RESOLUTION
BY TRANSPORTATION COMMITTEE

A RESOLUTION AUTHORIZING THE
MAYOR TO EXECUTE AMENDMENT
NO. 12 TO THE CENTRAL PASSENGER
TERMINAL COMPLEX LEASE
AGREEMENT WITH ATLANTIC
SOUTHEAST AIRLINES, INC. COVERING
SUPPLEMENTAL RENTAL PAYMENTS
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

NOV 01 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

Referred To:

First Reading

Committee _____
Date _____
Chair _____
Referred To _____

TRANSPORTATION

10/27/10 Date

Chair

Action

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

Members

Michael C. Leary

Carol Ann...

...

Refer To

Committee

Date

Chair

Action

Fav, Adv, Hold (see rev. side)

Other

Members

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

- FINAL COUNCIL ACTION
- 2nd
 - 1st & 2nd
 - 3rd
 - Consent
 - V Vote
 - RC Vote

CERTIFIED

CERTIFIED

NOV 01 2010

ATLANTA CITY COUNCIL PRESIDENT

...

CERTIFIED

NOV 01 2010

...
MUNICIPAL CLERK

MAYOR'S ACTION

APPROVED

NOV 10 2010

WITHOUT SIGNATURE
BY OPERATION OF LAW

**A RESOLUTION
BY TRANSPORTATION COMMITTEE**

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AMENDMENT NO. 12 TO THE CENTRAL PASSENGER TERMINAL COMPLEX LEASE AGREEMENT WITH ATLANTIC SOUTHEAST AIRLINES, INC. COVERING SUPPLEMENTAL RENTAL PAYMENTS 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 buildings and concourse buildings and related facilities for the use of airlines engaged in the transportation of persons and property by scheduled and unscheduled aircraft service, such buildings and facilities are referred to as the Central Passenger Terminal Complex ("CPTC"); and

WHEREAS, the City and Atlantic Southeast Airlines, Inc. ("Airline") have entered into an Agreement and Lease dated August 1, 1990, as supplemented, amended and extended, covering occupancy and use of facilities in the Terminal Building and Concourses of the Central Passenger Terminal Complex ("CPTC") at Hartsfield-Jackson Atlanta International Airport ("CPTC Lease"); and

WHEREAS, Airline and the City have reached agreement on the receipt of a supplemental rental payment under the terms and conditions as outlined in Exhibit A attached hereto; and

WHEREAS, the City and Airline now desire to amend the Airline's CPTC Lease to receive a supplemental rental payment under the same or substantially similar terms and conditions as shown on Exhibit "A" ; and

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 of Atlanta Amendment No. 12 to the Airline's CPTC Lease to receive a supplemental rental payment under the same or substantially similar terms and conditions as outlined in Exhibit A.

BE IT FURTHER RESOLVED that the City Attorney is directed to prepare said Amendment No. 12 for execution by the Mayor.

BE IT FINALLY RESOLVED that said Amendment No. 12 shall not become binding upon the City of Atlanta, and the City of Atlanta shall incur no obligation or liability there under until same has been signed by the Mayor and delivered to Airline.

A true copy,

Rhonda Daughin Johnson
Municipal Clerk

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

NOV 01, 2010

NOV 10, 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	\$ 194.2	\$ 243.3	\$ 265.4	\$ 269.3	\$ 271.8	\$ 274.3
Depreciation and Amortization						
Airline Supplemental	\$ -	\$ 12.0	\$ 8.0	\$ 5.0	\$ 5.0	\$ -
Terminal Rental Payment						
Investment Income on the	\$ 9.0	\$ 9.0	\$ 9.0	\$ 9.0	\$ 9.0	\$ 9.0
Operating Fund and R&E						
Fund						
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	1.73	1.43	1.48	1.53	1.54	1.53
Coverage Ratio						
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# 633
11/01/10
3:38 PM

Atlanta City Council

REGULAR SESSION

CONSENT I

EXCEPT 10-O-1872,10-R-1898,

ADOPT

YEAS: 13
NAYS: 0
ABSTENTIONS: 0
NOT VOTING: 3
EXCUSED: 0
ABSENT 0

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

CONSENT I

ITEMS ADOPTED ON CONSENT	ITEMS ADVERSED ON CONSENT	11-01-10
1. 10-O-1874 2. 10-O-1881 3. 10-O-1767 4. 10-O-1479 5. 10-O-1781 6. 10-O-1875 7. 10-O-1876 8. 10-O-1870 9. 10-R-1836 10. 10-R-1897 11. 10-R-1858 12. 10-R-1859 13. 10-R-1884 14. 10-R-1830 15. 10-R-1835 16. 10-R-1861 17. 10-R-1862 18. 10-R-1863 19. 10-R-1864 20. 10-R-1865 21. 10-R-1882 22. 10-R-1823 23. 10-R-1824 24. 10-R-1825 25. 10-R-1826 26. 10-R-1827 27. 10-R-1828 28. 10-R-1837 29. 10-R-1838 30. 10-R-1839 31. 10-R-1840 32. 10-R-1841 33. 10-R-1842 34. 10-R-1843	35. 10-R-1844 36. 10-R-1845 37. 10-R-1846 38. 10-R-1847 39. 10-R-1848 40. 10-R-1849 41. 10-R-1850 42. 10-R-1851 43. 10-R-1852 44. 10-R-1853 45. 10-R-1854 46. 10-R-1855 47. 10-R-1856 48. 10-R-1857	