

11- R-0764

(Do Not Write Above This Line)

A RESOLUTION
BY TRANSPORTATION COMMITTEE

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AMENDMENT NO. 23 TO THE CENTRAL PASSENGER TERMINAL COMPLEX AND AGREEMENT LEASE WITH DELTA AIR LINES, INC. ("DELTA") TO ALLOW DELTA TO COMPLETE A DELTA SKY CLUB IN THE MAYNARD HOLBROOK JACKSON INTERNATIONAL TERMINAL ("MHJIT") FOR A COST OF \$6,261,000.00; TO ALLOW DELTA TO MAKE ADDITIONAL TENANT IMPROVEMENTS FOR DELTA, KOREAN AIRLINES COMPANY AND KLMAIR FRANCE IN MHJIT FOR A COST OF 10,600,000.00; TO ALLOW FOR COMPLETION OF A BAG BELT FOR DELTA TO THE PARKING DECK AT MHJIT FOR A COST NOT TO EXCEED \$2,000,000.00, WHICH SUMS (\$18,861,000.00) WOULD BE REPAID TO THE CITY VIA INCREASED RENTALS. ALL SERVICES WILL BE CHARGED TO AND PAID FROM PTAEO: 18102798 (MAYNARD H JACKSON INTERNATIONAL TERMINAL) 105 (TASK) 550291249 (DOA R N E 9999) 5413002 (BUILDING IMPROVEMENTS) and FDOA 5502 (AIRPORT RENEWAL AND EXTENSION FUND) 180201 (DOA AVIATION CAPITAL PLANNING & DEVELOPMENT) 5413002 (BUILDING IMPROVEMENTS) 7563000 (AIRPORT) 102798 (MAYNARD H JACKSON INTERNATIONAL TERMINAL) 91249 (DOA R N E 9999); AND FOR OTHER PURPOSES.

- CONSENT REFER
- REGULAR REPORT REFER
- ADVERTISE & REFER
- 1st ADOPT 2nd READ & REFER
- PERSONAL PAPER REFER

Date Referred

Referred To:

Date Referred

Referred To:

First Reading

Committee _____
Date _____
Chair _____
Referred To _____

TRANSPORTATION

5/11/11 Date

[Signature] Chair

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

Members

[Signatures]

Refer To

Committee

Date

Chair

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

Members

ADOPTED BY

MAY 16 2011

COUNCIL

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 Readings
 - Consent
 - V Vote
 - RC

CERTIFIED
MAY 16 2011

ATLANTA CITY COUNCIL PRESIDENT

[Signature]

CERTIFIED
MAY 16 2011

Ronald D. [Signature]
MUNICIPAL CLERK

MAYOR'S ACTION

APPROVED

MAY 25 2011

WITHOUT SIGNATURE
BY OPERATION OF LAW

CITY COUNCIL
ATLANTA, GEORGIA

**A RESOLUTION
BY TRANSPORTATION COMMITTEE**

11- R -0764

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WHEREAS, The City of Atlanta (the "City") and Delta have entered into an Agreement and Lease-Central Passenger Terminal Complex, dated March 22, 1977, and various supplemental agreements and amendments thereto (hereinafter collectively referred to as the "CPTC Lease") including that certain Agreement to Amend and Extend CPTC Leases, Use Agreements and Certain Other Space Use Agreements entered into by Delta, the City and Northwest Airlines, Inc. ("Northwest," Northwest now merged into Delta and represented herein by Delta as successor-in-interest) entered into an Agreement to Amend and extend CPTC leases, Use Agreements and certain other Space Use Agreements, effective as of December 24, 2009 (the "Extension Agreement"); and

WHEREAS, City and Northwest are parties to a CPTC Lease, which CPTC Lease was originally between the City and Southern Airlines, Inc., as further described in, and as amended by, the Extension Agreement.

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 an Amendment No. 23 to the CPTC Lease under which:

- A. Delta will design and construct approximately 36,400 square feet of tenant improvements for use by Delta, Korean Airlines Company and KLM/Air France for a cost not to exceed \$10,600,000.00 ("Tenant Improvement Costs").



- B. Delta will design and construct a Delta Sky Club containing approximately 8,147 square feet for a cost not to exceed \$6,261,000.00 (“Sky Club Costs”).
- C. The City will construct a bag belt from MHJIT to its parking garage for a cost not to exceed \$2,000,000.00 (“Delta Bag Belt Cost”).
- D. Delta would repay the portion of the Tenant Improvement Costs allocable to Delta, the Sky Club Costs and the Delta Bag Belt Cost through increased Rentals.

BE IT FURTHER RESOLVED that the City Attorney is directed to prepare said Amendment No. 23 for execution by the Mayor.

BE IT FINALLY RESOLVED that said Amendment No. 23 shall not become binding upon the City, and the City shall incur no obligation or liability thereunder until same has been signed by the Mayor and delivered to Delta Air Lines, Inc.

A true copy

Deputy Clerk

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

MAY 16, 2011

MAY 25, 2011

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).

Authorization is sought to execute Amendment 23 to the Delta CPTC Lease ("A23") which would cover the following:

- A. Construction of approximately 44,547 square feet of tenant improvements (including a Delta Sky Club) and a baggage belt to the parking garage at Maynard H. Jackson International Terminal (MHJIT).
- B. Reimbursement to Delta for the cost of the design and construction of the tenant improvements.
- C. Additional rentals from Delta to repay the City for the cost of the bag belt and the portion of the tenant improvements that will be used by Delta.

2. Please provide background information regarding this legislation.

The proposed Amendment No. 23 (A23) calls for Delta to design and construct the Delta Sky Club for a cost not to exceed \$6,261,000. The proposed A23 also calls for Delta to design and construct the tenant improvements for Atlanta Airlines Terminal Corporation (AATC), Delta and their SkyTeam partners (Korean Airlines and Air France/KLM) for a cost not to exceed \$10,600,000. The proposed A23 also specifies an allocation methodology to determine what portion of the reimbursed cost is allocable to Delta and what portion is allocable to each of the other carriers and AATC.

Delta has also requested that a bag belt be added that will carry bags from the check in counters in the MHJIT parking garage to the TSA screening matrix. No other carriers have expressed an interest in using or paying for the bag belt. Under the proposed amendment, the construction of the bag belt

RCS# 1031
5/16/11
2:54 PM

Atlanta City Council

REGULAR SESSION

CONSENT I

ADOPT

YEAS: 12
NAYS: 0
ABSTENTIONS: 0
NOT VOTING: 1
EXCUSED: 1
ABSENT 2

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

CONSENT I

ITEMS ADOPTED ON CONSENT	ITEMS ADOPTED ON CONSENT	05-16-11 ITEMS ADVERSED ON CONSENT
1. 11-O-0615 2. 11-O-0637 3. 11-O-0639 4. 11-O-0642 5. 11-O-0616 6. 11-O-0682 7. 11-O-0684 8. 11-R-0744 9. 11-R-0776 10. 11-R-0770 11. 11-R-0781 12. 11-R-0678 13. 11-R-0738 14. 11-R-0757 15. 11-R-0758 16. 11-R-0759 17. 11-R-0760 18. 11-R-0761 19. 11-R-0762 20. 11-R-0763 21. 11-R-0764 22. 11-R-0644 23. 11-R-0648 24. 11-R-0749 25. 11-R-0750 26. 11-R-0753 27. 11-R-0754 28. 11-R-0755 29. 11-R-0756 30. 11-R-0712 31. 11-R-0713 32. 11-R-0714 33. 11-R-0715 34. 11-R-0716 35. 11-R-0717 36. 11-R-0718 37. 11-R-0719	38. 11-R-0720 39. 11-R-0721 40. 11-R-0722 41. 11-R-0723 42. 11-R-0724 43. 11-R-0725 44. 11-R-0726 45. 11-R-0727 46. 11-R-0728	47. 11-R-0729 48. 11-R-0730 49. 11-R-0731 50. 11-R-0732 51. 11-R-0733 52. 11-R-0734 53. 11-R-0735 54. 11-R-0736 56. 11-R-0737