

**A RESOLUTION
BY TRANSPORTATION COMMITTEE**

12-*P*-1772

A RESOLUTION AUTHORIZING THE MAYOR TO CONSENT TO A PARTIAL ASSIGNMENT OF LEASE AGREEMENT FOR SPACE IN THE CONSOLIDATED RENTAL CAR FACILITY FROM THE HERTZ CORPORATION, A DELAWARE CORPORATION (“HERTZ”) TO ADRECA HOLDINGS CORPORATION FOR CONRAC FACILITY SPACE ALLOCATED TO HERTZ AND OPERATED BY ITS SUBSIDIARY SIMPLY WHEELZ LLC AS THE ADVANTAGE RENT A CAR BRAND; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta (the “City”) entered into certain Consolidated Rental Car Facility Lease Agreement (“Agreement”) dated November 5, 2009, with Hertz to operate and provide rental car services from the Consolidated Rental Car Facility at Hartsfield-Jackson Atlanta International Airport to the public; and

WHEREAS, the allocated space under the Agreement from which Hertz operates is located in the Consolidate Rental Car Facility and includes the Hertz and the Advantage Rent a Car (“Advantage”) brands that is subject to the Agreement; and

WHEREAS, Hertz recently entered into a definitive merger agreement with Dollar Thrifty Automotive Group, Inc.; and

WHEREAS, as part of the antitrust review required by the United States Federal Trade Commission (“FTC”) Hertz has determined that it has to divest itself of its Simply Wheelz LLC subsidiary that operates the Advantage brand at the Airport; and

WHEREAS, to effectuate Hertz’s divestiture Hertz is selling Simply Wheelz LLC to Adreca Holdings Corporation; and

WHEREAS, Hertz needs the City’s consent to assign the Agreement to Simply Wheelz LLC (d/b/a – Advantage Rent a Car) and seeks the City’s consent to partially assign the Agreement.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, that the Mayor is authorized on behalf of the City of Atlanta to consent to the partial assignment of the Agreement from Hertz to Simply Wheelz LLC (d/b/a – Advantage Rent a Car); provided Hertz remains primarily liable for all obligations under the Agreement.

BE IT FURTHER RESOLVED that the City Attorney is directed to prepare a letter of consent and any other necessary documentation to evidence the City’s consent for execution by the Mayor.

BE IT FINALLY RESOLVED that said consent shall not become binding upon the City, and the City shall incur no obligation or liability until same has been signed by the Mayor, approved as to form by the City Attorney and delivered to Hertz.

Part II: Legislative White Paper: (This portion of the Legislative Request Form will be shared with City Council members and staff)

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| <p>A. To be completed by Legislative Counsel:</p> <p>Committee of Purview:</p> <p>Caption:</p> <p>Council Meeting Date:</p> <p>Requesting Dept.:</p> <p>FAC Confirmed by:</p> |
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B. To be completed by the department:

1. Please provide a summary of the purpose of this legislation (Justification Statement).

The purpose of this legislation is to authorize the partial assignment of Lease Agreement for the Consolidated Rental Car Facility from Hertz to Advantage.

2. Please provide background information regarding this legislation.

On November 5, 2009 the City of Atlanta entered into a Consolidated Rental Car Facility Agreement with Hertz to operate at the new car rental facility at Hartsfield-Jackson Atlanta International Airport. Hertz has asked for partial assignment of the agreement to Advantage.

Hertz recently entered into a merger agreement with Dollar Thrifty Automotive Group, Inc. In order to move forward with the merger, the United States Federal Trade Commission ("FTC") has suggested that Hertz divest itself of the Advantage rental car operation. In order to accomplish the required divestiture, Hertz has entered into a purchase agreement with Simply Wheelz LLC dba Advantage Rent A Car, a Delaware limited liability company ("Advantage").

The partial assignment will not change Hertz's obligations to the City under the Agreement. Hertz will remain primarily liable to the City for all of the obligations under the Agreement, as required by Section 2.5(A) of the Agreement.

The partial assignment will not change the number of brands servicing the Airport. The next time the City puts the rental car concession agreements out for bid, Hertz and Advantage will bid separately should they each decide to submit bids.

3. If Applicable/Known:

(a) **Contract Type (e.g. Professional Services, Construction Agreement, etc):** Consolidated Rental Car Facility Agreement

(b) **Source Selection:**

(c) **Bids/Proposals Due:**

(d) **Invitations Issued:**

(e) **Number of Bids:**

(f) **Proposals Received:**

(g) **Bidders/Proponents:**

(h) **Term of Contract:**

4. **Fund Account Center (Ex. Name and number):** N/A

5. **Source of Funds:** N/A

6. **Fiscal Impact:** N/A

7. **Method of Cost Recovery:** N/A

This Legislative Request Form Was Prepared By: Kyle Mastin

TRANSMITTAL FORM FOR LEGISLATION

TO: MAYOR'S OFFICE

ATTN: CANDACE L. BYRD

Dept.'s Legislative Liaison: Anita Williams

Contact Number: 404. 382- 2313

Originating Department: AVIATION

Committee(s) of Purview: Transportation

Chief of Staff Deadline: 11/16/12

Anticipated Committee Meeting Date(s): 12/12/12

Anticipated Full Council Date: 01/07/13

Legislative Counsel's Signature: Jonathan Hunt

Commissioner's Signature: [Signature]

Chief Financial Officer: N/A

Chief Information Officer Signature (for IT Procurements) N/A N/A

Chief Procurement Officer Signature: [Signature]

CAPTION

A RESOLUTION AUTHORIZING THE MAYOR TO CONSENT TO A PARTIAL ASSIGNMENT OF LEASE AGREEMENT FOR SPACE IN THE CONSOLIDATED RENTAL CAR FACILITY FROM THE HERTZ CORPORATION, A DELAWARE CORPORATION ("HERTZ") TO ADRECA HOLDINGS CORPORATION FOR CONRAC FACILITY SPACE ALLOCATED TO HERTZ AND OPERATED BY ITS SUBSIDIARY SIMPLY WHEELZ LLC AS THE ADVANTAGE RENT A CAR BRAND; AND FOR OTHER PURPOSES.

FINANCIAL IMPACT: (if any)
Mayor's Staff Only

Received by CPO: _____
(date)

Received by LC from CPO: _____
(date)

Received by Mayor's Office: 11-16-12
(date)

Reviewed by: [Signature]
(date)

Submitted to Council: _____ (date)