

A RESOLUTION BY TRANSPORTATION COMMITTEE AUTHORIZING THE MAYOR TO EXECUTE AN AMENDMENT TO THE LEASE AGREEMENT WITH ATLECON FUEL CORPORATION TO PROVIDE FOR THE OPERATION AND MAINTENANCE OF THE INTERNATIONAL FUEL FARM AND DISTRIBUTION SYSTEM AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.

Review List:

Kristen Rectenwald	Completed	08/15/2013 3:22 PM
Louis Miller	Completed	08/15/2013 3:33 PM
Mayor's Office	Completed	08/15/2013 3:41 PM
Office of Research and Policy Analysis	Completed	08/20/2013 9:46 AM
Transportation Committee	Pending	
Atlanta City Council	Pending	
Mayor's Office	Pending	

Certified by Presiding Officer	Certified by Clerk
Mayor's Action <i>See Authentication Page Attachment</i>	

**A RESOLUTION
BY TRANSPORTATION COMMITTEE**

A RESOLUTION BY TRANSPORTATION COMMITTEE AUTHORIZING THE MAYOR TO EXECUTE AN AMENDMENT TO THE LEASE AGREEMENT WITH ATLECON FUEL CORPORATION TO PROVIDE FOR THE OPERATION AND MAINTENANCE OF THE INTERNATIONAL FUEL FARM AND DISTRIBUTION SYSTEM AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta (“City”) owns and operates the Hartsfield-Jackson Atlanta International Airport (“Airport”) upon which exists certain premises and facilities for bulk fuel storage and distribution (“International Fuel Farm”) to supply aviation fuel to the international gates of the Central Passenger Terminal Complex (“CPTC”); and

WHEREAS, Atlecon Fuel Corporation (“Atlecon”) is composed of airlines engaged in the business of international air transportation of persons and property by scheduled aircraft service in the CPTC using premises and facilities leased from the City; and

WHEREAS, Atlecon has made certain Fuel Storage Facility Improvements (“Facility Improvements”) in order to improve and enhance the international fuel system capacity at the Airport as financed by the City as a Tenant Finish within the terms of a lease agreement (“Lease Agreement”), pursuant to Resolution 12-R-0195; and

WHEREAS, Atlecon is prepared to undertake certain obligations and responsibilities concerning the International Fuel Farm, including the obligation to maintain and operate the facilities (or to cause the system to be maintained and operated) for the benefit of the Airport and the airlines using the international gates of the CPTC; and

WHEREAS, the City desires to enter into an Amendment to the Lease Agreement with Atlecon for such premises and use as hereinafter set forth.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA that the Mayor is authorized to execute, on behalf of the City of Atlanta, an amendment to the lease agreement with Atlecon Fuel Corporation, which shall grant to Atlecon among other things the right and obligation to use, operate and maintain the International Fuel Farm and fuel distribution system (or to cause the system to be maintained and operated) for the remaining term of its lease under such terms and conditions as shall be negotiated between the City and Atlecon at a rental payment computed at rates that are applicable to all tenants upon the airfield and where maintenance and repairs of the exclusive leased premises shall be at the expense of Atlecon.

BE IT FURTHER RESOLVED, that the City Attorney is directed to prepare said

TRANSMITTAL FORM FOR LEGISLATION

TO: MAYOR'S OFFICE

ATTN: CANDACE L. BYRD

Dept.'s Legislative Liaison: Anita Williams

Contact Number: 404-530-6600

Originating Department: Aviation

Committee(s) of Purview: Transportation

Chief of Staff Deadline: 8/9/13

Anticipated Committee Meeting Date(s): 8/28/13

Anticipated Full Council Date: 9/3/13

Legislative Counsel's Signature: Kristen Rectenwald *Kristen U Rectenwald*

Commissioner's Signature: [Signature]

Chief Financial Officer: N/A

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

Chief Procurement Officer Signature: N/A

CAPTION

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AMENDMENT TO THE LEASE AGREEMENT WITH ATLECON FUEL CORPORATION TO PROVIDE FOR THE OPERATION AND MAINTENANCE OF THE INTERNATIONAL FUEL FARM AND DISTRIBUTION SYSTEM AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; 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: 7.31.13 *[Signature]*
(date)

Reviewed by: [Signature]
(date)

Submitted to Council: _____
(date)

Legislative White Paper

Committee of Purview: Transportation

Caption:

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AMENDMENT TO THE LEASE AGREEMENT WITH ATLECON FUEL CORPORATION TO PROVIDE FOR THE OPERATION AND MAINTENANCE OF THE INTERNATIONAL FUEL FARM AND DISTRIBUTION SYSTEM AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.

Council Meeting Date: 9/03/13

Legislation Title: Atlecon Fuel Corporation to provide operation and maintenance of the International Fuel Farm and distribution system at the Airport

Requesting Dept.: Aviation

Contract Type: Professional Services

Source Selection: N/A

Bids/Proposals Due: N/A

Invitations Issued: N/A

**Number of Bids/
Proposals Received:** N/A

Bidders/Proponents: N/A

Background:

The City previously constructed a fuel farm with three (3) jet fuel storage tanks and distribution system to the international aircraft gates at Concourse E. Additional connection to Concourse F was constructed with the construction of the Maynard Holbrook Jackson International Terminal ("MHJIT"), and two (2) additional jet fuel storage tanks were also added at this time.

From 1994 to 2010, the International Fuel Farm was leased to / operated by Atlecon, of which the largest member is Delta Air Lines. This lease between the City and Atlecon expired in September 2010 simultaneously with the expiration of the then current Central Passenger Terminal Complex ("CPTC") lease agreement.

The City presently manages the International Fuel Farm and the City Fuel Farm through its fuel farm operator, Allied Aviation. However, the airlines have now requested the right to operate and maintain the two farms through two airline consortiums: one for the International Fuel Farm and distribution

system, and one for the City Fuel Farm and distribution system. Both desire a lease for 20 years granting the right to operate and maintain each respective farm.

The City has already entered into a limited lease agreement in 2012 to provide \$7.9 million in Tenant Finish Financing for the two additional fuel storage tanks to provide for additional capacity due to the opening of MHJIT terminal. Atlecon provided the upfront financing for the construction project and the City reimbursed the airlines \$7.9 million under a 20-year amortization schedule at 6.5% interest. This agreement became effective in 2012 and repayment by the airlines has begun.

Fund Account Center: N/A

Source of Funds: N/A

Fiscal Impact: Positive

Term of Contract: N/A

Method of Cost Recovery: Rental Revenues

Approvals:

DOF: N/A

DOL: yes

Prepared By: Anita Williams

Contact Number: 404-382-2313

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).

The purpose of this legislation is to authorize the execution of an amendment to the lease agreement with Atlecon Fuel Corporation ("Atlecon") to provide for the operation and maintenance of the International Fuel Farm and distribution system at Hartsfield-Jackson Atlanta International Airport.

2. Please provide background information regarding this legislation.

The City previously constructed a fuel farm with three (3) jet fuel storage tanks and distribution system to the international aircraft gates at Concourse E. Additional connection to Concourse F was constructed with the construction of the Maynard Holbrook Jackson International Terminal ("MHJIT"), and two (2) additional jet fuel storage tanks were also added at this time.

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3. If Applicable/Known:

- (a) **Contract Type (e.g. Professional Services, Construction Agreement, etc):**
- (b) **Source Selection:**
- (c) **Bids/Proposals Due:**
- (d) **Invitations Issued:**
- (e) **Number of Bids:**
- (f) **Proposals Received:**
- (g) **Bidders/Proponents:**
- (h) **Term of Contract: Twenty years**

4. Fund Account Center (Ex. Name and number):

Fund: _____ Account: _____ Center: _____

5. Source of Funds: Example: Local Assistance Grant

6. Fiscal Impact: Because the DOA is an Enterprise fund, there will be no fiscal impact on the City.

Example: This legislation will result in a reduction in the amount of _____ to Fund Account Center Number _____.

7. Method of Cost Recovery: Rental revenues

Examples:

- a. Revenues generated from the permits required under this legislation will be used to fund the personnel needed to carry out the permitting process.
- b. Money obtained from a local assistance grant will be used to cover the costs of this Summer Food Program.

This Legislative Request Form Was Prepared By: Liza Littrell