

A RESOLUTION BY TRANSPORTATION COMMITTEE AUTHORIZING THE MAYOR TO AMEND AND EXTEND THE NORTH CARGO BUILDING AND SOUTH CARGO BUILDING LEASE AGREEMENTS AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT ON A MONTH TO MONTH BASIS UNDER THE TERMS OF THE CURRENT AGREEMENTS BEGINNING JANUARY 1, 2014 FOR A PERIOD NOT TO EXTEND BEYOND DECEMBER 31, 2014; AND FOR OTHER PURPOSES.

Review List:

Richard Rubin	Completed	10/18/2013 10:07 AM
Louis Miller	Completed	10/18/2013 10:28 AM
Mayor's Office	Completed	10/18/2013 10:46 AM
Office of Research and Policy Analysis	Completed	10/21/2013 10:11 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>	

LEGISLATION HISTORY – BLUE BACK

**A RESOLUTION
BY TRANSPORTATION COMMITTEE**

A RESOLUTION BY TRANSPORTATION COMMITTEE AUTHORIZING THE MAYOR TO AMEND AND EXTEND THE NORTH CARGO BUILDING AND SOUTH CARGO BUILDING LEASE AGREEMENTS AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT ON A MONTH TO MONTH BASIS UNDER THE TERMS OF THE CURRENT AGREEMENTS BEGINNING JANUARY 1, 2014 FOR A PERIOD NOT TO EXTEND BEYOND DECEMBER 31, 2014; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta (“City”) has developed the North Cargo Building and multiple South Cargo Buildings at Hartsfield-Jackson Atlanta International Airport (“Airport”) for air cargo and air freight business and other airport related support business at the Airport; and

WHEREAS, the City entered into various lease agreements (“Agreements”) at the North Cargo Building and South Cargo Buildings for use and occupancy of space by airlines and airline support business tenants to facilitate commercial airline passenger and air cargo business; and

WHEREAS, the various lease Agreements for the Tenants outlined in Exhibit A attached hereto, will expire as of December 31, 2013; and

WHEREAS, the City is engaged in ongoing discussions with the tenants regarding leasing of new and existing cargo facilities; and

WHEREAS, the City is currently reviewing its policy related to the leasing of new and existing cargo facilities; and

WHEREAS, the City is currently in the design phase of the project which will facilitate construction of an additional South Cargo Building (to be known as “Building C”); and

WHEREAS, the City prefers to delay execution of any new lease agreements for its cargo and airport related support space to enable further study of the future lease arrangements following the review of its leasing policy and the completion of Building C; and

WHEREAS, the existing Agreements will continue in force on a month to month basis and tenants shall continue to pay appropriate rental rates applicable to each respective building including expenses, for maintenance and repairs of the tenants exclusive leased premises; and

WHEREAS, the Aviation General Manager has recommended that the City amend and extend these Agreements on the conditions herein before set forth and as otherwise appropriate.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA that the Mayor is authorized to extend, on behalf of the City of Atlanta, the North Cargo Building and South Cargo Buildings lease agreements, as shown on Exhibit "A" on a month to month basis under the terms of the current Agreements beginning January 1, 2014 for a period not to extend beyond December 31, 2014; to provide for tenants' continued use and occupancy of exclusive leased premises in the North Cargo Building and South Cargo Buildings at appropriate rental rates that are applicable to all such tenants in these buildings including but not limited to expenses for maintenance and repairs of Tenants exclusive leased premises.

BE IT FURTHER RESOLVED, that the City Attorney is directed to prepare the appropriate agreements for execution by the Mayor, with same to be approved as to form by the City Attorney.

AND FINALLY BE IT RESOLVED, that the agreements will not become binding on the City and the City will incur no liability hereunder it until the same has been executed by the Mayor and delivered to the respective Tenants.

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: 10/11/13

Anticipated Committee Meeting Date(s): 10/30/13

Anticipated Full Council Date: 11/04/13

Legislative Counsel's Signature: Richard Rubin *Richard Rubin - Senior Assistant City Attorney*

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 AMEND AND EXTEND THE NORTH CARGO BUILDING AND SOUTH CARGO BUILDINGS LEASE AGREEMENTS AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT ON A MONTH TO MONTH BASIS UNDER THE TERMS OF THE CURRENT AGREEMENTS BEGINNING JANUARY 1, 2014 FOR A PERIOD NOT TO EXTEND BEYOND DECEMBER 31, 2014; 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: 10.1.13 *[Signature]*
(date)

Reviewed by: [Signature]
(date)

Submitted to Council: _____
(date)

Legislative White Paper

Committee of Purview: Transportation

Caption:

A RESOLUTION AUTHORIZING THE MAYOR TO AMEND AND EXTEND THE NORTH CARGO BUILDING AND SOUTH CARGO BUILDING LEASE AGREEMENTS AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT ON A MONTH TO MONTH BASIS UNDER THE TERMS OF THE CURRENT AGREEMENTS BEGINNING JANUARY 1, 2014 FOR A PERIOD NOT TO EXTEND BEYOND DECEMBER 31, 2014; AND FOR OTHER PURPOSES.

Council Meeting Date: 11/04/13

Legislation Title: Amend and Extend the North Cargo Building and South Cargo Building Lease Agreements

Requesting Dept.: Aviation

Contract Type: Lease Agreement

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 purpose of this legislation is to authorize the amendment and extension of the North Cargo Building and South Cargo Building Lease Agreements at Hartsfield-Jackson Atlanta International Airport on a month to month basis under the terms of the current agreements beginning January 1, 2014 for a period not to extend beyond December 31, 2014; and for other purposes.

Anticipating major construction and renovation work primarily at the North Cargo building, the Department of Aviation (“DOA”) set the term of all the leases for tenants in both the North and South Cargo facilities with an expiration date of December 31, 2013. The purpose of this coterminous expiration date was to provide the Airport with maximum flexibility to relocate facility tenants to enable any renovation or construction related to improving the

facilities to proceed smoothly. For various reasons, plans to improve the North Cargo facility have been delayed beyond the lease termination date requiring the City to take action on the expiring leases.

Paralleling discussions on improving the existing facility have been numerous discussions on the need to expand cargo handling capability at the Airport. As a result, a decision was made in 2012 to construct a new cargo building at South Cargo ("Building C") to facilitate cargo growth. Design of the new building is well underway and construction is scheduled to commence over the next several months, however, the specific terms for lease of space at this new building have yet to be finalized.

The DOA is currently reviewing its policy for leasing cargo and other related support space at the airport and is considering changes that will stimulate growth in cargo handling activity and generate additional revenues for the Airport. The DOA believes that any changes in policy as well as any changes in the terms and provisions of cargo facility leases that might occur as a result of any policy changes should be applied equally and fairly to all cargo facility lessees to include the tenants that will occupy new Building C.

As a result of the aforementioned, the DOA recommends the amendment and extension of all existing leases at the North and South Cargo facilities on a month to month basis commencing January 1, 2014 for a period not to exceed December 31, 2014; and for other purposes. This extension will enable the DOA to review and revise its cargo facility leasing policy and to develop its plan to lease new Building C for the purposes of drafting new lease agreements.

Fund Account Center: N/A

Source of Funds: N/A

Fiscal Impact: Positive

Term of Contract: Beginning January 1, 2014 for a period not to extend beyond December 31, 2014; and for other purposes.

Method of Cost Recovery: N/A

Approvals:

DOF: N/A

DOL: Yes

Prepared By: Anita Williams

Contact Number: 404-382-2313

EXHIBIT A

North Cargo Office Tenants

Allied Aviation
Continental
HSS, Inc.
Jett Pro
Omni Air International
Omni Power Clean
PrimeFlight
Southwest

North Cargo Warehouse Tenants

Airtran
Continental
GAT
Global
Integrated
Southwest
Swissport

South Cargo Warehouse Tenants

Alliance
Lufthansa
Swissport

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 amendment and extension of the North Cargo Building and South Cargo Building Lease Agreements at Hartsfield-Jackson Atlanta International Airport on a month to month basis under the terms of the current agreements beginning January 1, 2014 for a period not to extend beyond December 31, 2014; and for other purposes.

2. Please provide background information regarding this legislation.

Anticipating major construction and renovation work primarily at the North Cargo building, the Department of Aviation ("DOA") set the term of all the leases for tenants in both the North and South Cargo facilities with an expiration date of December 31, 2013. The purpose of this coterminous expiration date was to provide the Airport with maximum flexibility to relocate facility tenants to enable any renovation or construction related to improving the facilities to proceed smoothly. For various reasons, plans to improve the North Cargo facility have been delayed beyond the lease termination date requiring the City to take action on the expiring leases.

Paralleling discussions on improving the existing facility have been numerous discussions on the need to expand cargo handling capability at the Airport. As a result, a decision was made in 2012 to construct a new cargo building at South Cargo ("Building C") to facilitate cargo growth. Design of the new building is well underway and construction is scheduled to commence over the next several months, however, the specific terms for lease of space at this new building have yet to be finalized.

The DOA is currently reviewing its policy for leasing cargo and other related support space at the airport and is considering changes that will stimulate growth in cargo handling activity and generate additional revenues for the Airport. The DOA believes that any changes in policy as well as any changes in the terms and provisions of cargo facility leases that might occur as a result of any policy changes should be applied equally and fairly to all cargo facility lessees to include the tenants that will occupy new Building C.

As a result of the aforementioned, the DOA recommends the amendment and extension of all existing leases at the North and South Cargo facilities on a month to month basis commencing January 1, 2014 for a period not to exceed December 31, 2014; and for other purposes. This extension will enable the DOA to review and revise its cargo facility leasing policy and to develop its plan to lease new Building C for the purposes of drafting new lease agreements.

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: Five 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