

A RESOLUTION BY TRANSPORTATION COMMITTEE AUTHORIZING THE MAYOR TO EXECUTE AN AIRPORT USE LICENSE AGREEMENT WITH CARGOLUX AIRLINES INTERNATIONAL S.A. FOR OPERATIONS AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.

Review List:

Richard Rubin	Completed	01/03/2014 9:49 AM
Miguel Southwell	Completed	01/08/2014 2:59 PM
Mayor's Office	Completed	01/08/2014 3:46 PM
Office of Research and Policy Analysis	Completed	01/08/2014 6:31 PM
Transportation Committee	Pending	
Atlanta City Council	Pending	
Mayor's Office	Pending	

LEGISLATION HISTORY – BLUE BACK

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

A RESOLUTION BY TRANSPORTATION COMMITTEE AUTHORIZING THE MAYOR TO EXECUTE AN AIRPORT USE LICENSE AGREEMENT WITH CARGOLUX AIRLINES INTERNATIONAL S.A. FOR OPERATIONS AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.

WHEREAS, Cargolux Airlines International S.A. (“Airline”) desires to provide air cargo service from Hartsfield-Jackson Atlanta International Airport (“Airport”); and

WHEREAS, in furtherance of its plan to operate such flights, Airline desires to enter into an Airport Use License Agreement with the City of Atlanta (“City”) as an air cargo carrier serving the Airport; and

WHEREAS, the Aviation General Manager believes that it is in the best interest of the Airport and the City to enter into an Airport Use License Agreement with Airline, as hereinafter set forth, and recommends the execution of such an Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, that the Mayor is hereby authorized to execute on behalf of the City of Atlanta an appropriate Airport Use License Agreement with Airline, which shall contain the following terms, conditions, and provisions:

- 1) A term effective as of March 1, 2013 and ending September 20, 2017; provided that either party may terminate the agreement by giving at least 30 days prior written notice to the other party; and
- 2) A landing fee to be computed at the then current landing fee rate, which rate will be applied per 1,000 pounds of the Federal Aviation Administration Maximum Certificated Gross Landing Weight of each aircraft scheduled to land at the Airport. The landing fee rate shall be subject to adjustment from time to time at the discretion of the City acting through its Aviation General Manager. Such adjustments shall be to levels comparable to the landing fee rates charged similarly classified airlines at the Airport; and
- 3) Such other terms, conditions, and provisions as may be required by City ordinances or Federal regulations or which are otherwise deemed appropriate by the Aviation General Manager.

BE IT FURTHER RESOLVED that the City Attorney is directed to prepare said Agreement for execution by the Mayor.

AND FINALLY BE IT RESOLVED that said Agreement shall not become binding upon the City of Atlanta, and the City of Atlanta shall incur no obligation nor liability thereunder until same has been signed by the Mayor, attested by the City Clerk and delivered to Cargolux Airlines International S.A.

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: 12/27/13

Anticipated Committee Meeting Date(s): 1/15/14

Anticipated Full Council Date: 1/21/14

Legislative Counsel's Signature: 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 EXECUTE AN AIRPORT USE LICENSE AGREEMENT WITH CARGOLUX AIRLINES INTERNATIONAL S.A. FOR OPERATIONS 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: 12-17-13 (date) Reviewed by [Signature] (date)

Submitted to Council: _____ (date)

Attachment: Cargolux AULA XMT (14-R-3010 : Cargolux Airlines AULA)

Legislative White Paper

Committee of Purview: Transportation

Caption:

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AIRPORT USE LICENSE AGREEMENT WITH CARGOLUX AIRLINES INTERNATIONAL S.A. FOR OPERATIONS AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.

Council Meeting Date: 1/21/14

Legislation Title: Cargolux Airfield Use and License Agreement

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 execution of an Airfield Use and License Agreement (“AULA”) with Cargolux Airlines International S.A.

Cargolux Airlines International S.A. (Cargolux) has been operating out of Hartsfield-Jackson Atlanta International Airport (“Airport”) since late 2007. As was the situation with air carriers operating under Airport Use and License Agreements (AULA) at the time, the Cargolux AULA was set to expire on September 21, 2010. When all expiring AULAs were being renewed just prior to September 2010, Cargolux had advised the City that it intended to cease service to the Airport. As a result, the Department of Aviation (“DOA”) did not process the necessary paperwork to renew the Cargolux AULA. Shortly thereafter, Cargolux elected to not suspend service to the Airport, however, they did not pursue a new AULA. The purpose of this legislation is to establish a new AULA with Cargolux covering its continuing operations.

The DOA’s Legal department and the City’s Risk Management department have urged the DOA to execute landing agreements with all of the carriers that have scheduled operations

into the Airport. Furthermore, in order to execute the proposed agreement, Cargolux will be required to maintain a certificate of insurance naming the City as an additional insured. It is therefore in the best interest of the City to execute the proposed agreement which would cover the Cargolux operations out of Hartsfield-Jackson Atlanta International Airport.

This Resolution would authorize the execution of an Airport Use License Agreement covering the use of runways, taxiways and other common airfield facilities with Cargolux. Cargolux is presently providing cargo flights to/from the Airport as follows:

- 1 flight - Thursday (Chicago-Atlanta-Luxembourg)
- 1 flight - Saturday (Chicago-Atlanta-Luxembourg)
- 2 flights - Sunday (Kennedy/New York-Atlanta-Luxembourg) & (Huntsville, Alabama-Atlanta-Luxembourg)

The agreement would have a term beginning immediately upon execution and ending September 20, 2017.

The current Airport Use License Agreement Landing Fee is \$0.81975 per 1,000 pounds of Maximum Certificated Gross Landing Weight. The Landing Fee can be changed from time to time by the Department of Finance.

Source of Funds: N/A

Fiscal Impact: None

Term of Contract: September 20, 2017

Method of Cost Recovery: Landing Fees

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 Airfield Use and License Agreement ("AULA") with Cargolux Airlines International S.A.

2. Please provide background information regarding this legislation.

Cargolux Airlines International S.A. (Cargolux) has been operating out of Hartsfield-Jackson Atlanta International Airport ("Airport") since late 2007. As was the situation with air carriers operating under Airport Use and License Agreements (AULA) at the time, the Cargolux AULA was set to expire on September 21, 2010. When all expiring AULAs were being renewed just prior to September 2010, Cargolux had advised the City that it intended to cease service to the Airport. As a result, the Department of Aviation ("DOA") did not process the necessary paperwork to renew the Cargolux AULA. Shortly thereafter, Cargolux elected to not suspend service to the Airport, however, they did not pursue a new AULA. The purpose of this legislation is to establish a new AULA with Cargolux covering its continuing operations.

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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: Through September 20, 2017

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: Landing Fees

Examples:

Attachment: Cargolux AULA Request Form (14-R-3010 : Cargolux Airlines AULA)

- 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: David Sellers