



CITY COUNCIL
ATLANTA, GEORGIA

14-R-4304

A RESOLUTION AUTHORIZING THE MAYOR, ON BEHALF OF THE CITY OF ATLANTA, TO EXECUTE A SETTLEMENT AGREEMENT WITH CLAYTON COUNTY, GEORGIA REGARDING THE REFUND AD VALOREM PROPERTY TAXES DUE TO THE CITY OF ATLANTA IN THE AMOUNT OF NINE MILLION FIVE HUNDRED NINETY-NINE THOUSAND FOUR HUNDRED SIXTY -SEVEN DOLLARS AND SEVENTY-SEVEN CENTS (\$9,599,467.77); ANTICIPATING PAYMENT INTO ACCOUNT NUMBERS 5501 (AVIATION GENERAL REVENUE FUND); 180108 (AVIATION FINANCE AND ACCOUNTING); 3890007 (RECOVERIES); 7563209 (AVIATION, OTHER COMMERCIAL); AND FOR OTHER PURPOSES.

Workflow List:

Clerk of Council	Completed	10/21/2014 11:44 AM
Atlanta City Council	Completed	10/20/2014 1:00 PM
Mayor's Office	Completed	10/23/2014 12:00 AM

10/20/2014 Atlanta City Council ADOPTED

RESULT:	ADOPTED [13 TO 1]
MOVER:	Clarence "C. T." Martin, Councilmember, District 10
AYES:	Bond, Norwood, Dickens, Smith, Hall, Young Jr., Winslow, Archibong, Shook, Adrean, Martin, Bottoms, Sheperd
NAYS:	Felicia A. Moore
AWAY:	Alex Wan

Certified by Presiding Officer

Certified by Clerk

CERTIFIED

10/20/2014

ATLANTA CITY COUNCIL PRESIDENT

CERTIFIED

10/20/2014

Rhonda Dauphin Johnson, Municipal Clerk 10/20/2014

Mayor's Action

APPROVED by of Mayor Kasim Reed - October 23, 2014

See Authentication Page Attachment

LEGISLATION HISTORY - BLUE BACK



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ATLANTA, GEORGIA**

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SPONSOR SIGNATURES

Clarence T Martin Jr

Clarence "C. T." Martin, Councilmember, District 10



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WHEREAS, the City of Atlanta ("City") owns and operates Hartsfield-Jackson Atlanta International Airport ("Airport"); and

WHEREAS, the Airport is primarily located in Clayton County, Georgia; and

WHEREAS, the City submitted requests to Clayton County for refunds of ad valorem property taxes for certain parcels of land as the City acquired land to build the fifth runway at the Airport; and

WHEREAS, in 2007, the Georgia Court of Appeals ruled that land parcels to be used for the fifth runway were exempt from ad valorem taxes for tax year 2003, representing a \$943,911.61 refund due to the City; and

WHEREAS, in 2008, the Clayton County Superior Court entered an Order and Final Judgment in the City's favor in the amount of \$450,769.33 for the refund of ad valorem taxes paid on said fifth runway land parcels for tax years 2000 and 2002, which sum has accrued \$130,805.55 in interest payable to the City; and

WHEREAS, following the precedents set by the Court of Appeals and the Clayton County Superior Court, the City and Clayton County agreed to treat the fifth runway land parcels as tax exempt, representing a total refund to the City of \$3,760,868.42 for tax years 2003 through 2006;and

WHEREAS, Clayton County ceased taxing the fifth runway land parcels completely in 2007 when the fifth runway opened; and

WHEREAS, in 2005, Clayton County began taxing the City on five land parcels owned by the City and leased to Delta Air Lines, Inc. ("Delta7") for the operation of the Delta Technical



Operations Center, housing of Delta's ground support equipment, housing of a cargo handling building and two flight kitchens; and

WHEREAS, in 2010, the Georgia Court of Appeals ruled that this property leased to a common carrier airline was for the "public purpose" and was exempt from ad valorem taxation, representing a refund to the City of \$1,965,214.01 for tax years 2005 through 2009; and

WHEREAS, following the precedent set regarding the Delta parcels, the City and Clayton County agreed that other parcels leased to common carrier airlines and directly supporting services such as Northwest, Gate Gourmet, AirTran and the South Cargo complex would be tax exempt beginning as of 2005, representing a refund to the City of \$3,291,810.36 for tax years 2005 through 2009; and

WHEREAS, the City's Department of Law and Department of Aviation have engaged Clayton County in negotiations over the years regarding the total tax refund amount due to the City and the method of payment by Clayton County of the refund amounts; and

WHEREAS, while such negotiations were pending, the City did not pay Clayton County ad valorem taxes on any parcels located in Clayton County for tax years 2010 through 2013; and

WHEREAS, Clayton County has agreed to refund the City a total of \$9,599,467.77 for previously paid ad valorem taxes in the following manner: A) \$6,764,891.68 as a direct and complete offset of the City's ad valorem tax bills for 2010, 2011, 2012 and 2013; and

B) \$1,976,747.04 upon execution of the Settlement Agreement; and

C) \$857,828.95 payable in three (3) equal annual installments beginning on December 1, 2014 plus interest at an annual rate of 1.5%.

WHEREAS, the Clayton County Board of Commissioners approved payments pursuant to the Settlement Agreement on June 17, 2014; and

WHEREAS, the City Attorney and the Aviation General Manager consider it to be in the best interest of the City to accept Clayton County's proposed Settlement Agreement attached as

Exhibit A.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF



ATLANTA, GEORGIA, that the Mayor is authorized to execute the Settlement Agreement with Clayton County for the refund of ad valorem tax paid by the City of Atlanta to Clayton County in the amount of \$9,599,467.77 payable as follows:

A) \$6,764,891.68 as a direct and complete offset of the City's ad valorem tax bills for 2010, 2011, 2012 and 2013; and

B) \$1,976,747.04 upon execution of the Settlement Agreement; and

C) \$857,828.95 payable in three (3) equal annual installments beginning on December 1, 2014 plus interest at an annual rate of 1.5%.

BE IT FINALLY RESOLVED, that that any funds received from Clayton County related to this agreement will be anticipated in the following FDOA; 5501 (Airport General Revenue Fund), 180108 (Aviation Finance and Accounting); 3890007 (Recoveries); 7563209 (Aviation, Other Commercial).

A true copy
ADOPTED by the Atlanta City Council - October 20, 2014
APPROVED by of Mayor Kasim Reed - October 23, 2014

Kasim Reed

Kasim Reed, Mayor

10/23/2014

Kasim Reed

Kasim Reed, Mayor

10/23/2014