

SUBSTITUTE ORDINANCE

WHEREAS, the City of Chicago ("City") is a home rule unit of local government as defined in Article VII, §6(a) of the Illinois Constitution and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City owns and, through its Chicago Department of Aviation ("CDA"), operates the airport known as Chicago Midway International Airport ("Airport"); and

WHEREAS, the City has the authority to lease premises and facilities and the power to grant rights and privileges with respect to the Airport; and

WHEREAS, Atlantic Aviation Corporation ("Atlantic") has operated as a fixed based operator for General Aviation operations at the Airport since 2003 under its current agreement, that certain Facilities Lease and Use Agreement dated September 23, 2003; and

WHEREAS, Signature Flight Support, LLC ("Signature") has operated as a fixed based operator for General Aviation operations at the Airport since 2013 under its current agreement, that certain Facilities Lease and Use Agreement dated November 26, 2013; and

WHEREAS, Atlantic and Signature each commit to invest in a comprehensive redevelopment and modernization of their respective facilities at the Airport, including new hangars and office facilities, terminal upgrades, tenant facility upgrades, CBP facility, GSE facility, Advanced Air Mobility infrastructure, and ramp improvements, the cost of which are estimated to exceed \$65 million for each company; and

WHEREAS, Atlantic and Signature each also commit to significant increases in rental payments to the City under new Facility Lease and Use Agreements ("Agreements") at the Airport; and

WHEREAS, the City, and Atlantic and Signature respectively, agree that it is in the best interest of both parties to each transaction to enter into new Agreements to facilitate the herein described redevelopment program, provide sufficient lease term to allow Atlantic and Signature, respectively, to amortize their substantial capital investment and establish updated economic and operating provisions for the extended lease term, and to generate substantial revenues to the City for use at the Airport; and

WHEREAS, the City, and Atlantic and Signature respectively, agree that new Agreements reflecting a 20-year term, plus two additional 5-year extension periods available only if each respective tenant has met its substantial development and investment commitments, is appropriate to achieve these goals; and

WHEREAS, the City seeks City Council approval to enter into an agreement with Atlantic in substantially the same format as Exhibit A, and with Signature in substantially

the same format as Exhibit B; and

WHEREAS, the City, and Atlantic and Signature respectively, acknowledge that the continued operation of the Airport as a safe, convenient and attractive facility, and the continued vitality of the Airport as a premier General Aviation entry point for the City and the region, is crucial to the economic health and welfare of the City; ***now, therefore***

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The above recitals are hereby incorporated by reference as if fully set forth herein and adopted as findings of the City Council.

SECTION 2. The Commissioner of CDA, or a designee of the Commissioner, is hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver an Agreement with Atlantic and an Agreement with Signature, in substantially the form attached hereto as Exhibit A, and such other supporting documents as may be necessary or appropriate to carry out and comply with the provisions of the Agreements, with such changes, deletions and insertions as shall be approved by the persons executing such Agreements.

SECTION 3. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 4. All other ordinances, resolutions, motions, or orders of the City Council in conflict with this ordinance are hereby amended to the extent of such conflict.

SECTION 5. This ordinance shall be effective upon its passage and approval.