

**Attachment A**

**THIS IS A DRAFT COPY ONLY AND IS NOT AN OFFICIAL COPY OF THE FINAL,  
ADOPTED ORDINANCE**

ORDINANCE NO. S-\_\_\_\_\_

AN ORDINANCE AMENDING ORDINANCE NO. S-21974  
ADOPTED APRIL 20, 1994 BY AMENDING SECTION 4.6  
THEREOF RELATING TO THE ISSUANCE AND SALE OF  
AIRPORT REVENUE BONDS

WHEREAS, Ordinance No. S-21974 adopted by the Mayor and Council of the City on April 20, 1994 (as heretofore amended, the "Airport Revenue Bond Ordinance") amended and restated the terms and conditions by which obligations could be issued payable on a senior lien basis from airport revenues ("Senior Obligations") and certain covenants relating to the operation of the Airport (as defined in the Airport Revenue Bond Ordinance); and

WHEREAS, the City has entered into city purchase agreements relating to airport obligations ("City Purchase Agreements"); and

WHEREAS, it is now desirable to amend a covenant contained in the Airport Revenue Bond Ordinance and incorporated by reference in the City Purchase Agreements to provide more flexibility to the City of Phoenix in a manner consistent with those generally accepted by purchasers of such obligations.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PHOENIX, as follows:

*Section 1.* The Airport Revenue Bond Ordinance is hereby amended by amending and restating Section 4.6 of Exhibit C thereto to read as follows: [blacklined changes shown below]

*Section 4.6. Sale or Lease of Airport.* The City covenants not to sell essential Airport property, whether real or personal, unless an officer of the City certifies that the City will be able to continue to meet the rate covenant set forth in Section 4.3 hereof in each of the five years after the sale or certifies that the value of the property to be sold and sold within the last twelve months does not exceed five percent (5%) of the total fair market value of the assets of the Airport as determined by an officer of the City.

Notwithstanding any of the foregoing provisions of this section, leases and other agreements and contracts for use of any services or facilities of the airport in effect at the time of delivery of the Bonds shall not be subject to revision except by agreement between the parties, with the concurrence of the Consultants, and the City may enter into new leases, or other agreements or contracts for the use of services or facilities of the Airport on such terms and for such periods of times as the City shall determine to be proper; provided, however, that no such new lease, agreement or contract shall provide for the payments of rents, fees or charges at a rate less than the rate prevailing at the Airport for similar services or facilities at the time of delivery of the Bonds unless such rents, fees or charges shall be approved by the Consultants; and provided further that no such new lease agreement or contract (except land leases and except those which provide for a fixed minimum rental or a percentage of gross income, whichever is larger) shall be for a term exceeding 3 years unless:

1. It be negotiated on a net rent basis **(a “net lease”)**, or
2. It contains provisions for renegotiation of the amount of the required payments without limit of intervals of not more than 3 years beginning with the date thereof;

and providing further that **(other than a net lease, whether or not it provides for a fixed minimum rental or a percentage of gross income)** no new lease, agreement or contract which provides for a fixed minimum rental or a percentage of gross income, whichever is larger shall be for a term exceeding 10 years unless it contains provision for renegotiation of the fixed minimum rental and of the percentage of gross income without limit at the end of the initial 10 years, and at the end of each 5-year period thereafter.

*Section 2.* The remaining portions of the Airport Revenue Bond Ordinance and all Exhibits attached thereto shall remain unchanged and in full force and effect.

*Section 3.* The amendments to the Airport Revenue Bond Ordinance, shall be in full force and effect upon receipt of the required consents of the owners of the Senior Obligations set forth in Section 8.2 of Exhibit C of the Airport Revenue Bond Ordinance and requirements, if any, made in connection with the issuance of obligations payable on any priority level from Airport Revenues.

PASSED by the Council of the City of Phoenix this 18<sup>th</sup> day of October, 2017.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

REVIEWED BY:

\_\_\_\_\_  
City Manager