

## AGENDA

**Recommendation for Council Action****AUSTIN CITY COUNCIL****Regular Meeting: June 28, 2018**Item Number: **030****Law**

Authorize negotiation and execution of a contract with Kaplan Kirsch & Rockwell LLP for legal services related to airline consortium contracts and other general airport law advice for a multi-year term in an amount not to exceed \$100,000.

<b>Lead Department</b>	Law Department.
<b>Fiscal Note</b>	There is no fiscal impact. Funding is available in the Fiscal Year 2017-2018 operating budget of the Aviation Department.
<b>For More Information</b>	Sandra Kim, Assistant City Attorney (512) 974-2268.

**Additional Backup Information:**

Kaplan Kirsch & Rockwell LLP is the largest dedicated airport law practice firm in the country with experience at more than 100 airports nationwide. They understand the increasing pressure to address air service, congestion, security, competition, and financial challenges facing airports similar to the Austin-Bergstrom International Airport (ABIA).

In 2000, the City executed a lease agreement with 15 different airlines for the use of ABIA property as a fuel facility. Since then, various airlines have dissolved and/or merged. Several of the existing airlines now desire to form a consortium by creating a separate, single legal entity that remains constant regardless of any changes to the member airlines that will be responsible for the lease and operation of the fuel facility.

Contracting with a consortium poses numerous unique legal risks because it is a separate legal entity

composed of multiple other legal entities, all of whom need to be considered in analyzing a potential breach of the lease agreement. The consortium concept is new and the ABIA fuel facility was financed with bonds, subjecting it to various bond covenants, and the use of ABIA property is bound by several federal grant assurances. Kaplan Kirsch & Rockwell LLP's assistance will ensure the City executes a legally sound agreement that can be used for this lease agreement and future agreements involving consortiums contemplated at ABIA, as well as benefit the City with any of its other future airport law issues as ABIA continues its rapid growth and ever increasing passenger counts.