



MEMORANDUM

January 25, 2010

TO: Iftikhar Ahmad, Director of Aviation

FROM: Timothy H. Riordan, City Manager *TR*

SUBJECT: Comments on the Emery MOU

1. Item 3
 - A. We would need pro formas on all of this and we would need examples showing how exactly the calculations would be made.
 - B. We would also want to show an alternative of gross receipts. That would be helpful after we get the pro forma.
2. We want to make sure there is an operating plan to cover all of the operating expenses including the security expenses. We should have some idea what that is. Those expenses could clearly affect profitability of the operator.
3. Have Doug Harnish also review this.
4. We would want to get information about the finances of the overall corporation.
5. Just for future thinking, there would need to be some guarantee as to who pays the security expense, what is the nature of that corporation and what are the finances of that corporation.
6. What, if any, financial risk do we have?
7. The basic agreement ought to include some reversion for non-performance.
8. At some point we would want IRG to talk to Mark Harries.
9. Is there any debt that the City would be left with if this agreement went through.
10. What, if any, infrastructure would we have to do.
11. How would loss of the ground lease to UPS affect in a pennies per thousand pounds – the landing fee.
12. Possible 50/50 percent match on our putting capital into the project.
13. Item 4B, the 9% discount rate is high.

THR/skn