

ORDINANCE NO. 91-228

AN ORDINANCE AUTHORIZING A
CROSS BORDER LEASE AGREEMENT
WITH K/S NORDIC RAILCARLEASING
OR ITS PERMITTED SUCCESSORS
OR ASSIGNS

WHEREAS, By entering into a cross border lease for the sale/lease back of used CTA rapid transit cars the Authority would increase its revenue; and

WHEREAS, UMTA Circular 7020.1 authorizes the concept of cross-border leasing; and

WHEREAS, The Metropolitan Transit Authority Act, Ill. Rev. Stat. Ch. 111-2/3, Section 13 authorizes the Authority to enter into cross border leasing agreements; and

WHEREAS, Section 54.3-5 of the Regulations Governing Purchase and Sales Transactions provides for the award of contracts in those situations where the Transit Board determines that bidding would be disadvantageous; and

WHEREAS, K/S Nordic Railcarleasing, a Danish limited partnership and the CTA have negotiated a preliminary cross border lease agreement; and

WHEREAS, Sixty (60) investors were solicited for a cross border lease and K/S Nordic Railcarleasing is the only one willing to enter into a defeased transaction and the only one which did not require foreign taxing indemnities by CTA; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF CHICAGO TRANSIT AUTHORITY:

SECTION 1. That based on the statements set forth in the preamble of this ordinance, the Transit Board determines that public bidding for this contract would be disadvantageous:

SECTION 2. That the Chairman or his designee is authorized to finalize negotiations for a cross border lease with K/S Nordic Railcarleasing or its permitted successors or assigns for a minimum of \$30 million U.S. Dollars and a maximum of \$60 million U.S. dollars in used rail cars. Said cross border lease shall be consistent with all applicable laws.

ORDINANCE NO. 91-228
(Continued)-2

SECTION 3. That the Chairman or his designee shall execute any and all documents necessary to effectuate said cross border lease with K/S Nordic Railcarleasing or its permitted successors or assigns.

SECTION 4. This ordinance shall be in full force and effect from and after its passage.

APPROVED:


Clark Burns
Chairman

PASSED:


John S. Sontoro
Secretary

December 11, 1991

December 11, 1991