City of Atlanta Department of Aviation

Green Bond Framework

July 2024

1. Introduction

1.1 Overview

The purpose of this City of Atlanta Department of Aviation Green Bond Framework (this "Framework") is to document certain processes and commitments relating to the issuance and designation of bonds as "Green Bonds" by the City of Atlanta (the "City") for the financing or refinancing of eligible green projects at the hereinafter defined Airport (the "Green Bond Program"). The Green Bond Program is intended to finance or refinance eligible green projects recommended by the City of Atlanta Department of Aviation (the "Department of Aviation") that contribute to environmental sustainability of the Airport.

1.2 Objectives

Overarching objectives of the Green Bond Program are as follows:

- Promote environmentally sustainable design and construction of airport infrastructure.
- Align funding with the Department's and the City's climate and sustainability goals.
- Enhance transparency and accountability in the use of proceeds and reporting on Green Bonds.

1.3 The Airport

The Hartsfield-Jackson Atlanta International Airport (ATL) (the “Airport”) is owned by the City and operated by the Department of Aviation. It is classified as a large hub by the Federal Aviation Administration ("FAA"), is the principal air carrier airport serving the State of Georgia and the southeastern United States and serves as a primary transfer point in the national air transportation system. According to Airports Council International ("ACI"), the Airport is the busiest passenger airport in the world with approximately 104.7 million total (enplaned and deplaned) passengers in calendar year 2023. The combination of the Airport's geographic location, its facilities, and Delta Air Lines' ("Delta") strategy of concentrating much of its service through the Airport has resulted in the Airport becoming Delta’s busiest hub.

1.4 Sustainability at the Airport

The Department of Aviation is a steward of the environment and integrates low- or no-impact practices and programs throughout its operations by pursuing innovative technologies.

The Department of Aviation is dedicated to refining baselines and targets in order to reflect both existing conditions and desired goals more precisely. The 2035 Sustainable Management Plan ("SMP") will serve as the overall strategy for the Airport’s sustainability program. The SMP is guided by a triple bottom line cost-benefit analysis, which considers environmental and social worth in addition to economic value. The Department of Aviation plans to finalize the SMP and prioritize initiatives based on this analysis.

1.5 Emissions Reduction

In 2022, the Department of Aviation announced its Carbon Policy, which commits to achieve 100% clean and renewable energy at the Airport by 2035 and net zero carbon emissions by 2050. The initiatives described below support the strategies identified in the Carbon Policy.

In 2022, the Department of Aviation also completed a comprehensive Scope 1 and 2 Greenhouse Gas ("GHG") assessment for the Airport. These efforts were precursors to joining ACI's Airports Carbon Accreditation Program (the "ACA Program"), a global, aviation-dedicated carbon management and reporting program. The Airport was admitted at the entry level of the ACA Program. The Department of Aviation has plans to advance the Airport to higher levels of the ACA Program by working with Airport tenants to track and report Scope 3 indirect emissions.

Consistent with the ACA Program, the Department of Aviation tracks GHG emissions from both location-based and market-based perspectives. A location-based method measures the average emissions intensity of the power grids where energy consumption takes place. A market-based method reflects emissions from electricity purchased. The Airport has two electricity providers: Georgia Power Company serves most of the Airport campus and College Park Power serves a smaller segment of the campus.

Installation and procurement of renewable energy in accordance with the Department of Aviation's goal for the Airport to reach 100% renewable energy by 2035 is a primary strategy for emissions reduction at the Airport.

Other strategies for emissions reduction include increased electrification, green buildings, energy efficiency and improved access to low-carbon public transit. These strategies are implemented through the capital planning process and in alignment with initiatives and policies set by the Mayor's Office of Sustainability and Resilience.

1.6 Climate Risk and Resilience

The Department of Aviation is identifying risks and vulnerabilities related to climate change threats. Operational challenges associated with extreme weather events such as tornadoes, strong winds, heavy precipitation, flooding, extreme heat and droughts, ice and snowstorms will continue to threaten power supplies and other Airport systems as impacts from climate change intensify. To address these threats, the Department of Aviation is integrating resilience into its operations by implementing an Asset Management System which considers asset criticality, impact on operations and improvements to the customer experience. The Department of Aviation also tracks each asset's age, condition and useful life to deliver a more comprehensive approach to managing critical infrastructure and ensuring continuity of operations. The Department of Aviation uses third-party rating systems such as Envision and SITES to incorporate climate resilience during design and construction.

The Department of Aviation works closely with the Mayor's Office of Sustainability and Resilience to implement programs at the Airport to meet the City's sustainability goals. The Mayor's Office of Sustainability and Resilience leads science-based analysis to establish, develop, implement, and promote policies, programs, and initiatives related to environmental sustainability, climate resilience, circular economy and food security rooted in environmental justice.

2. Use of Proceeds

2.1 Eligible Project Categories

The proceeds of Green Bonds may be used to finance or refinance eligible green projects that are:

1) in the Capital Plan to 2030; and

2) directly improve sustainability of Airport operations; and

3) contribute to reaching 100% renewable energy by 2035 and net zero by 2050. Runways, fuel tanks, and Airfield improvements are not eligible.

Projects eligible for financing through Green Bonds must align with the relevant project categories listed in Table 1.

Table 1. Eligible ICMA Green Bond Principles – relevant categories

ICMA Green Bond Principles Project Categories
Energy Efficiency
Green Buildings
Renewable Energy
Clean Transportation
Climate Adaptation

2.2. Capital Plan to 2030

Green Bonds may only be used to finance projects meeting the eligibility criteria. Examples of projects in the Capital Plan to 2030 which may be financed with Green Bonds include:

2.2.1 Concourse D Widening Project

The "Concourse D Widening Project" includes widening from 60 feet to approximately 99 feet, extending the overall length to 288 feet, and modifying ramps and gate layouts. With the expansion, Concourse D will have approximately 34 gates, a 25,000-square-foot area for a Delta Sky Club, and a 100,000-square-foot space for additional boarding areas, concession areas, restrooms and other public areas. The widening of Concourse D is designed to accommodate an all-Group III aircraft configuration,[1] to enhance airport capacity and circulation, and to meet LEED Silver green building standards.

The Concourse D Widening Project is a multiphase project expected to be fully complete by summer 2029. Initial construction and pre-fabrication of Concourse D in a modular staging area began in December 2023.[2] Pre-fabricated components will be transported across airfield runways to Concourse D and attached to the existing building. Then, portions of the existing building will be demolished and reconstructed.

The entire Concourse D Widening Project is designed to achieve LEED Silver certification and incorporates the following sustainable design elements:

- Conduit and panelboard capacity for future charging infrastructure at all gates to support electric charging of ground support equipment
- Water metering
- Efficient heating and cooling systems
- Efficient, insulated wall panels
- Low emissivity glass
- Low flow water fixtures
- Fully electrified gates
- Low carbon concrete supply

[1] The FAA classifies aircraft into six groups based on size, wherein Group I aircraft are the smallest and Group XI aircraft are the largest. Many major airlines, including Delta, are retiring smaller aircraft fleets and replacing these fleets with larger Group III aircraft.

[2] A pre-fabrication area will be used to minimize gate downtime and on-site upheaval throughout project development.

Energy and water use modeling has been conducted and the Concourse D Widening Project is expected to result in approximately 16% energy cost savings compared to ASHRAE 90.1-2013, an estimated 37% reduction in water use, a 5% reduction in embodied carbon,[3] and at least 90% diversion of construction and demolition waste.

2.2.2. South Domestic Terminal Parking Deck Project

The Capital Plan to 2030 also includes the "South Domestic Terminal Parking Deck Project," a multilevel parking structure that will provide parking for approximately 6,500 vehicles and will include a two-story, 10,000-square-foot office building. The parking deck will offer 163 electric vehicle (EV) charging stations with an additional 730 spaces designed to be EV-ready. The Airport is targeting LEED Silver certification for the office building component and Parksmart certification for the parking structure component. Parksmart is a certification scheme for the design, construction, and management of sustainable and environmentally resilient parking garages. Sustainable features of the South Domestic Terminal Parking Deck Project include:

- Low carbon concrete supply
- Wayfinding systems and traffic flow strategies to minimize vehicle idle time
- LED lighting in the parking structure
- Energy efficient building systems, including heat pumps and heat pump water heaters
- Optimized filtration and ventilation for improved air quality
- Sustainable construction waste management

Additional projects in the Capital Plan to 2030 which are also eligible for financing under this Framework include, but are not limited to, terminal construction, expansions and reconfigurations meeting green building standards; energy-efficient baggage handling improvements; installation of renewable energy; and installation of emergency generators.

3. Project Evaluation and Selection Process

Projects must be eligible as defined in Table 1 above and must directly contribute to environmental objectives to be considered for under the Green Bond Program. At a minimum, projects must also comply with applicable environmental regulations and standards. Planning and Development is responsible for budgeting, managing, and completing construction of major additions, renovations and maintenance projects at the Airport. Prior to issuing Green Bonds, the Chief Financial Officer and Planning and Development will review projects proposed to be financed with proceeds of Green Bonds to assess eligibility under this Framework. An independent external reviewer may be consulted.

[3] Embodied carbon refers to the total carbon emissions released during the lifecycle of building materials, including manufacturing, transport, construction, and disposal.

4. Management of Proceeds

The proceeds of Green Bonds, will be used to (a) finance or refinance all or a portion of the costs of planning, engineering, designing, acquiring, equipping and constructing eligible green projects in the applicable capital plan; (b) fund deposits to certain funds and accounts under the Restated and Amended Master Bond Ordinance adopted by the City Council of the City (the "City Council") on March 20, 2000, as amended and supplemented; and (c) pay certain costs of issuance relating to Green Bonds. Proceeds of Green Bonds will be held in dedicated accounts and the Department of Aviation will track the flow of such proceeds to ensure they are used exclusively for eligible green projects as defined in this Framework. The City of Atlanta Investment Policy and Procedures governs allowable holdings prior to spending on eligible green projects.[4]

5. Reporting and Transparency

The Department of Aviation intends to voluntarily report on the allocation and uses of Green Bond proceeds in the annual Environmental, Social & Governance + Prosperity Reports. The Green Bond information will include descriptions of projects financed; amount of proceeds allocated to each project; and environmental benefits achieved (e.g., energy savings, emissions reductions).

The Department of Aviation also tracks and reports building energy and water consumption in accordance with Ordinance No. 15-O-1101 adopted by the City Council on April 20, 2015 (the "Atlanta Commercial Energy Efficiency Ordinance").[5] The Atlanta Commercial Energy Efficiency Ordinance requires commercial buildings over 25,000 square feet to benchmark energy and water consumption on an annual basis.

Greenhouse gas emissions are reported annually through the CDP, formerly known as the Carbon Disclosure Project.

Other metrics such as annual energy consumption (mmBTUs) and annual water consumption (kGallons) are tracked on the internal ATLS Sustainability Dashboard. The Mayor's Office of Sustainability and Resilience provides quarterly updates to the City Council with information on progress toward interim climate action targets. Quarterly updates are available on the Mayor's Office of Sustainability and Resilience website: atlantaga.gov/government/mayor-s-office/executive-offices/office-of-sustainability-and-resilience.

6. External Review

Kestrel will be engaged to provide a Second Party Opinion on this Framework in connection with the City's issuance and designation of Green Bonds. An independent external reviewer may be engaged periodically to verify the Department of Aviation's continued adherence to this Framework and the Green Bond Principles.

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[4] https://www.atl.com/wp-content/uploads/2023/07/Atlanta-Investment-Policy-2014-FINAL-CC-Approved.pdf

[5] https://atlantabuildingbenchmarking.wordpress.com/about/

7. Conclusion

7.1 Commitment to Sustainability

The Department of Aviation reaffirms its commitment to environmental stewardship through the issuance of Green Bonds, supporting sustainable development goals, and contributing to the citywide transition to net zero by 2050.