

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 14-0176

APPROVAL OF MODIFICATION NO. 1 TO FIXED BASE OPERATOR LEASE AND OPERATING AGREEMENT NO. L07-0106, WITH SIGNATURE FLIGHT SUPPORT CORPORATION; AND DIRECTING THE COMMISSION SECRETARY TO REQUEST THE BOARD OF SUPERVISORS' APPROVAL OF THE MODIFICATION

- WHEREAS, pursuant to Airport Commission Resolution No. 07-0106 and Board of Supervisors' Resolution No. 436-07, adopted on May 15, 2007 and July 31, 2007, respectively, Signature Flight Support Corporation ("Signature") was awarded the Fixed Based Operator Lease and Operating Agreement ("Agreement"); and
- WHEREAS, as part of the Agreement and subject to Commission approval, Signature proposed construction of a new hangar and associated office and maintenance space, to be located on Plot 42, at its sole cost, which title to the new hangar shall vest in the City upon completion and acceptance by the City; and
- WHEREAS, following various regulatory approvals for the new hangar, the Commission approved Signature's proposal to construct a new hangar and associated office and maintenance space by Resolution No. 08-0208, adopted November 18, 2008; and
- WHEREAS, given the unprecedented decline in demand for hangar storage in business aviation travel and the economic environment of the general aviation business, Signature requested and the Airport granted one (1) year deferments, in 2009, 2010, 2011, and 2012, for the construction of the new hangar; and
- WHEREAS, in May 2013, the Airport denied Signature's request for another deferment and Signature began construction of the new hangar in November; and
- WHEREAS, staff performed an extensive review of the business terms, including the Minimum Annual Guarantee ("MAG") paid at other FBO businesses around the country, and determined that the current MAG paid by Signature is above those paid at other airports surveyed; and
- WHEREAS, Signature desires to amortize its investment in the new hangar and Staff has determined that it is in the best interest of the Airport to retain the Agreement's above market value; therefore, be it
- RESOLVED, that the Airport Commission hereby approves and authorizes the Director to execute Modification No. 1 to Fixed Base Operator Lease and Operating Agreement No. L07-0106 with Signature Flight Support Corporation, extending the term for five (5) years, for a new expiration date of September 30, 2022, and requiring Signature to renovate the Executive Air Terminal within one hundred eighty (180) days from October 1, 2017 or a later date, as may be approved by the Director; and, be it further
- RESOLVED, that the Commission Secretary is hereby directed to request approval of this Modification No. 1 by resolution of the Board of Supervisors pursuant to Section 9.118 of the Charter of the City and County of San Francisco.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of _____

SEP 09 2014


Secretary