

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 13-0006


AWARD OF THE TERMINAL 3 COMMON USE CLUB LEASE TO AMERICAN EXPRESS TRAVEL RELATED SERVICES COMPANY, INC. ("TRS")

- WHEREAS, by Resolution No. 12-0045, adopted March 6, 2012, the Airport Commission authorized staff to conduct an informational conference for the Terminal 3 Common Use Club Lease; and
- WHEREAS, by Resolution No. 12-0194, adopted August 28, 2012, the Commission authorized staff to accept proposals for the Lease; and
- WHEREAS, on the RFP submittal deadline of December 5, 2012, staff received one (1) proposal for the Lease; and
- WHEREAS, a three-member panel evaluated and scored the qualifying proposal and determined American Express Travel Related Services Company, Inc. ("TRS") to be the highest ranking, responsive and responsible proposer; now, therefore, be it
- RESOLVED, that this Commission hereby awards the T3 Common Use Club Lease to American Express Travel Related Services Company, Inc. ("TRS") under the conditions set forth in the staff memorandum on file with the Commission Secretary, including, but not limited to a term of ten (10) years, and a Terminal Area Rental Rate known as Category II VIP and Club Lounge Rent for the term of the Lease; and be it further
- RESOLVED, that the premises will be turned over to TRS and the Lease Commencement Date established when the Airport has completed the necessary construction; and be it further
- RESOLVED, that the Commission Secretary is hereby directed to request approval of the Lease 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 _____

JAN 15 2013



Secretary



San Francisco International Airport

MEMORANDUM

January 15, 2013

TO: AIRPORT COMMISSION
Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Eleanor Johns
Hon. Richard J. Guggenhime
Hon. Peter A. Stern

FROM: Airport Director

SUBJECT: Award of the Terminal 3 Common Use Club Lease

DIRECTOR'S RECOMMENDATION: APPROVE THE RECOMMENDED OPERATOR
AND AWARD THE TERMINAL 3 COMMON USE CLUB LEASE

Executive Summary

The proposal evaluation process for the Terminal 3 Common Use Club Lease ("Lease") has concluded and staff recommends awarding the Lease to American Express Travel Related Services Company, Inc.

Background

By Resolution No. 12-0045 adopted on March 6, 2012, the Airport Commission ("Commission") authorized staff to commence the competitive selection process and issue a Request for Proposals ("RFP") for the Terminal 3 Common Use Club Lease.

Staff conducted an informational meeting on July 18, 2012, wherein the Terminal 3 Common Use Club Lease was presented to the interested parties. Staff gathered feedback from potential proposers, clarifying and changing the business terms, where appropriate. By Resolution No. 12-0194, adopted on August 28, 2012, the Commission approved the minimum requirements and lease specifications, and authorized staff to accept proposals.

In response to the RFP, the Airport received one (1) proposal on the due date of December 5, 2012, from American Express Travel Related Services Company, Inc. ("TRS"). Staff determined that the proposal met the RFP's minimum qualifications. Staff further convened a three-member panel to evaluate the proposal. TRS was determined to be a responsible and responsive proposer.

THIS PRINT COVERS CALENDAR ITEM NO. 5

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE
MAYOR

LARRY MAZZOLA
PRESIDENT

LINDA S. CRAYTON
VICE PRESIDENT

ELEANOR JOHNS

RICHARD J. GUGGENHIME

PETER A. STERN

JOHN L. MARTIN
AIRPORT DIRECTOR

The evaluation panel scores are as follows:

Proposed Concept	Design & Capital Investment	Business Plan	Total Points
81.40	77.40	99.00	85.93

The Lease is for a term of ten (10) years. The premises are comprised of one location in Terminal 3, Boarding Area F of approximately 8,680 square feet for a common use airline club-like facility. For Fiscal Year 2012-2013, the rent, Category II-VIP and Club Lounge Terminal Area Rent, is \$173.06 per square foot. Rent during the first year of the operation of the club is estimated at \$1.5 million. If awarded, construction on the T3 Common Use Club is anticipated to begin in June 2013 and will be open for business approximately six (6) months thereafter.

TRS operates ten (10) Airport Lounges world-wide and has signed leases to open three (3) others in the United States over the next two years. American Express has been operating lounges since 1993. American Express Company is the sole stockholder of American Express Travel Related Services Company, Inc.

Recommendation

I recommend that the Commission 1) award the Terminal 3 Common Use Club Lease to American Express Travel Related Services Company, Inc.; and 2) direct the Commission Secretary to request approval of the Terminal 3 Common Use Club Lease from the Board of Supervisors.

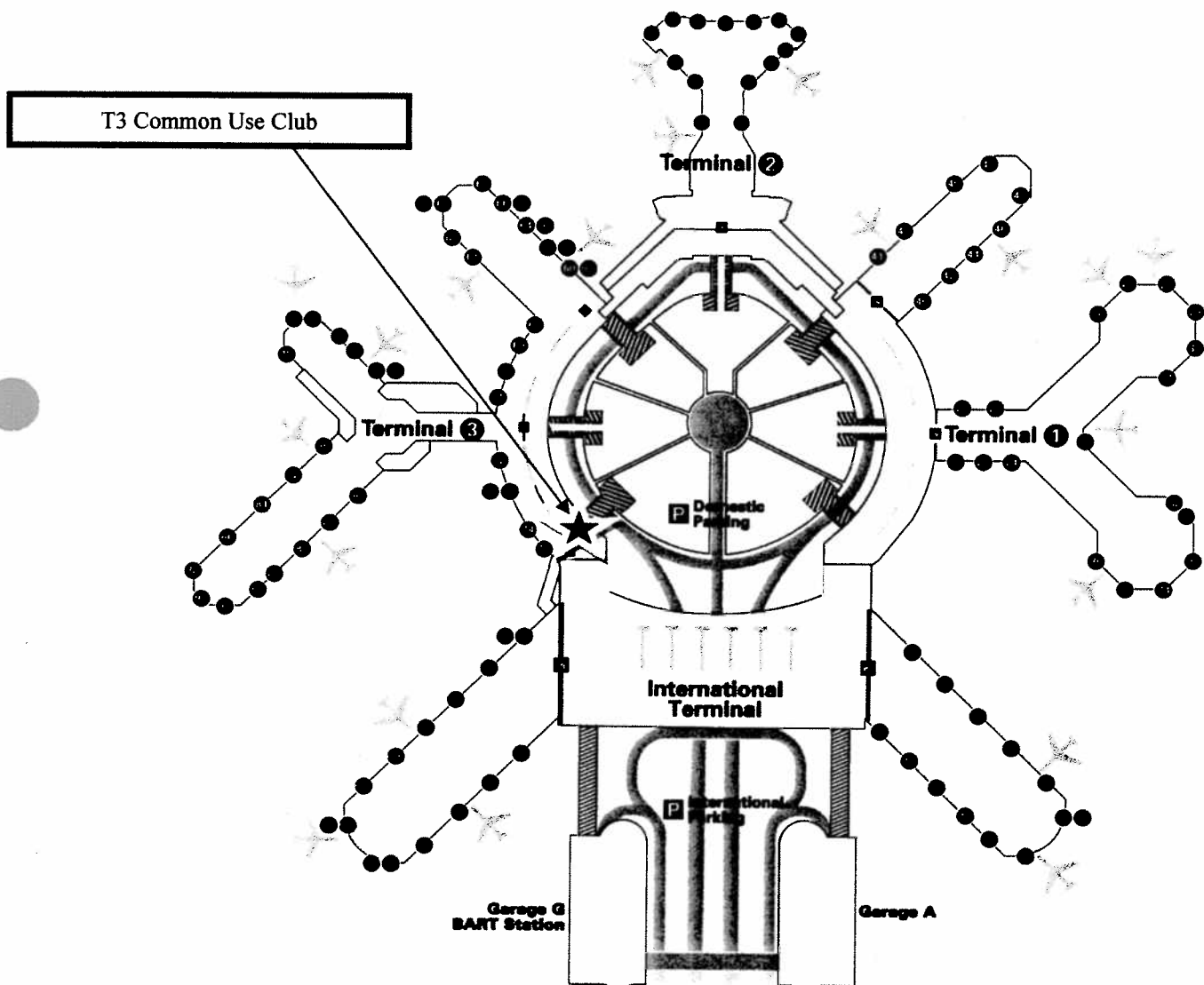


John L. Martin For
Airport Director

Prepared by: Leo Fermin
Deputy Airport Director
Business and Finance

Attachments

TERMINAL 3
COMMON USE CLUB LEASE



SAN FRANCISCO AIRPORT COMMISSION

AGENDA SHEET

Business and Finance (Revenue Development and Management)

MEETING DATE: January 15, 2013

ORIGINATOR: Leo Fermin (Nanette Hendrickson)

(PHONE #) 650.821.5035

AGENDA ITEM TITLE: Award of the Terminal 3 Common Use Club Lease to American Express Travel Related Services Company, Inc.

SUMMARY OF ITEM:

RESOLUTION AWARDING THE T3 COMMON USE CLUB LEASE TO AMERICAN EXPRESS TRAVEL RELATED SERVICES COMPANY, INC.

13_0006

JAN 15 2013

	ROUTING ORDER	APPROVAL INITIALS	DATE SIGNED
CHIEF OPERATING OFFICER			
CHIEF OF STAFF			
DEPUTY, ADMINISTRATION			
DEPUTY, BUSINESS & FINANCE	2	LF 1/8/13	1-2-13
DEPUTY, COMMUNICATIONS & MARKETING			
DEPUTY, DESIGN & CONSTRUCTION			
DEPUTY, FACILITIES & MAINTENANCE			
DEPUTY, OPERATIONS & SECURITY			
GOVERNMENT AFFAIRS			
LEGAL	3	RF	1/3/12
OUTREACH	4		1.8.13
ACCOUNTING			
AVIATION MANAGEMENT			
FINANCE			
PARKING MANAGEMENT			
REVENUE DEVELOPMENT	1	CA	12-31-12
SPECIAL PROJECTS			
DIRECTOR	6	TF	1-8
COMMISSION SECRETARY	6		

DATE RECEIVED: 1/3/13

TIME RECEIVED:

Please call 1-5042 if you have any questions.

FEB 08 2013