

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 13 0071

RESOLUTION TO (1) APPROVE A NEW FACILITY LEASE WITH AMERICAN AIRLINES, INC. FOR THE SOUTHEAST HALF OF THE SUPERBAY HANGAR AND APPURTENANT LAND ON PLOT 40, AND (2) DIRECT THE COMMISSION SECRETARY TO FORWARD THE LEASE TO THE BOARD OF SUPERVISORS FOR APPROVAL

WHEREAS, pursuant to Lease L04-0221, American Airlines, Inc. ("American") leases approximately 166,800 square feet of hangar space, situated on approximately 20 acres of land at Plot 40, and 3.58 acres of additional land for various aviation related functions including aircraft maintenance, aircraft parking, ground service equipment ("GSE") activities, employee parking, and support operations at a current rent of \$3,872,890 per year; and

WHEREAS, Lease L04-0221 expired on June 30, 2009 and reverted to hold over status; American wishes to continue occupancy of the SuperBay facilities at Plot 40 for uses substantially the same as current uses pursuant to a new lease; and

WHEREAS, on November 29, 2011, American filed for Chapter 11 bankruptcy protection. Since then, American has maintained their account in good standing. American may enter into new leases in their normal course of business; therefore, staff is seeking Commission approval of the new lease which, by reference, will be included in the Cure Stipulation Agreement now under negotiation with American; and

WHEREAS, Airport staff has negotiated a lease for the SuperBay Hangar at Plot 40 (the "Lease"), to be effective the later of July 1, 2013 or upon full City approval, which provides for: 1) use and occupancy for aviation related purposes, including aircraft maintenance and parking, GSE related activities, employee parking and ancillary uses, 2) a demised premises comprised of approximately 127,900 square feet of first floor hangar space and 38,900 square feet of upper floor hangar space situated on 17.4 acres of land, and an additional 6.18 acres of land for employee parking, 3) a term of three (3) years with two (2) one-year options at American's discretion, and 4) an annual rent of \$4,355,869; now, therefore be it,

RESOLVED, that the Airport Commission hereby approves and authorizes the Airport Director to execute the Lease with American Airlines commencing the later of July 1, 2013 or upon full City approval which provides for : 1) use and occupancy for aviation related purposes including aircraft maintenance and parking, GSE related activities, employee parking and ancillary uses, 2) a demised premises comprised of approximately 127,900 square feet of first floor hangar space and 38,900 square feet of upper floor hangar space situated on 17.4 acres of land, and an additional 6.18 acres of land for employee parking, 3) a term of three (3) years with two (2) one-year options at American's discretion, and 4) an annual rent of \$4,355,869; and on the terms and conditions set forth in the Director's Memorandum; and be it further

RESOLVED, that the Airport Commission hereby directs the Commission Secretary to forward the Lease to the Board of Supervisors for approval pursuant to Section 9.118 of the City Charter.

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

APR 02 2013

at its meeting of \_\_\_\_\_

  
Secretary