

1 [Airport Lease Modification - American Airlines, Inc. - Recapture of Certain Land at Plot 40 of  
2 the SuperBay Hangar - Total Reduced Annual Rent of \$4,621,912.79]

3 **Resolution approving Modification No. 2 of Lease No. L13-0071 between American**  
4 **Airlines, Inc., and the City and County of San Francisco, acting by and through its**  
5 **Airport Commission, for the recapture of certain land at Plot 40 of the SuperBay Hangar**  
6 **to accommodate the demand for the Airport’s construction contractors’ parking at the**  
7 **San Francisco International Airport (“Airport”), adjusting the annual rent by**  
8 **\$120,470.88 from \$4,742,383.67 to \$4,621,912.79, with no change to the length of term,**  
9 **to be effective on the first day of the month following approval by the Board of**  
10 **Supervisors.**

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12 WHEREAS, The Airport and American Airlines, Inc. (“American”) are parties to Lease  
13 No. L13-0071, pursuant to Airport Commission (“Commission”) Resolution No. 13-0071 dated  
14 April 2, 2013, and Board of Supervisors Resolution No. 370-13, dated November 1, 2013 (the  
15 “Lease”); and

16 WHEREAS, Pursuant to the Lease, American occupies approximately 127,900 square  
17 feet of first floor hangar space, approximately 38,900 square feet of upper floor hangar space,  
18 approximately 11,500 square feet of ground service equipment maintenance shop space,  
19 approximately 17.4 acres of land for aircraft parking, and approximately 6.18 acres of land for  
20 employee parking (the “Premises”); and

21 WHEREAS, The Lease has a current rent of \$4,742,383.67 per year and a term of  
22 three years with two one-year options, the first of which expired on October 31, 2017; and

23 WHEREAS, On September 6, 2016, pursuant to Resolution No. 16-0240, the  
24 Commission approved Modification No. 1 to the Lease for the recapture of approximately  
25 1.69 acres of land used for American’s employee parking on Plot 40 which, due to a change in

1 circumstances, has been deemed unfeasible and was subsequently rescinded by Airport  
2 Commission Resolution No. 17-0011 adopted on January 17, 2017; and

3 WHEREAS, The Airport now wishes to recapture approximately 1.19 acres of land of  
4 American's employee parking lot, in order to accommodate future demand for construction  
5 contractors' parking related to the Airport's Capital Improvement Plan, resulting in a reduction  
6 of \$120,470.88 per year in American's rent; and

7 WHEREAS, Together with the recapture of approximately 1.48 acres of land in  
8 exchange for approximately 1.26 acres, all of which is at Plot 40, pursuant to Modification  
9 No. 2 to United Airlines' SuperBay Lease (L04-0058), the Airport will realize a cost savings of  
10 approximately \$1,039,090.00 in contractor parking costs; and

11 WHEREAS, The Airport and American have negotiated the terms and conditions of a  
12 rescission of Modification No. 1 and a subsequent modification to the Lease, which:  
13 1) reduces that certain portion of the Premises used for employee parking by approximately  
14 1.19 acres, from approximately 6.18 acres to approximately 4.99 acres, and 2) adjusts the  
15 annual rent by \$120,470.88, from \$4,742,383.67 to \$4,621,912.79, to reflect the reduction of  
16 the Premises ("Modification No. 2"), all as more fully set forth in the Memorandum  
17 accompanying Airport Commission Resolution No. 17-0011, to be effective on the first day of  
18 the month following full City approval; and

19 WHEREAS, A copy of the Lease and form of the Modification No. 2 are on file with the  
20 Clerk of the Board of Supervisors in File No. 180009, which are hereby declared to be a part  
21 of this resolution as is set forth fully herein; now, therefore, be it

22 RESOLVED, That this Board of Supervisors hereby approves Modification No. 2 for the  
23 recapture of certain land from American Airlines at Plot 40 to accommodate the demand for  
24 the Airport's construction contractors' parking; and, be it

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1            FURTHER RESOLVED, That within 30 days of Modification No. 2 being fully executed  
2 by all parties, the Airport Commission shall provide a copy of Modification No. 2 to the Clerk of  
3 the Board for inclusion into the official file.

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