

1 [Lease Modification - American Airlines, Inc. - Superbay Hangar Lease No. L13-0071 -
2 Extension of Term and Rent Increase - \$7,240,000 Initial Annual Base Rent]

3 **Resolution approving Modification No. 4 of the Superbay Hangar Lease No. L13-0071,**
4 **between American Airlines, Inc. and the City and County of San Francisco, acting by**
5 **and through its Airport Commission, to extend the term by two years and adjust the**
6 **annual rent to \$7,240,000 to commence on the effective date of the lease extension**
7 **term after approval of the Board of Supervisors and execution of Modification No. 4.**

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9 WHEREAS, On April 2, 2013, by Resolution No. 13-0071, the Airport Commission
10 (“Commission”) awarded the Superbay Hangar Lease No. L13-0071 (“Lease”) to American
11 Airlines, Inc., as tenant (“American”), and on November 1, 2013, by Resolution No. 370-13,
12 the Board of Supervisors approved the Lease; and

13 WHEREAS, On September 6, 2016, by Resolution No. 16-0240, the Commission
14 approved Modification No. 1 to the Lease, which was subsequently rescinded due to
15 unforeseen circumstances; and

16 WHEREAS, On January 17, 2017, by Resolution No. 17-0011, the Commission
17 approved Modification No. 2 to the Lease, which superseded Modification No. 1;

18 WHEREAS, On February 13, 2018, by Resolution No. 0039-18, the Board of
19 Supervisors approved Modification No. 2 to the Lease; and

20 WHEREAS, On September 18, 2018, by Resolution No. 18-0306, the Commission
21 approved Modification No. 3 to the Lease, and on November 27, 2018, by Resolution No. 406-
22 18, the Board approved Modification No. 3 to the Lease; and

23 WHEREAS, The Lease Term expired on June 30, 2023, and the Lease is currently on
24 a month-to-month holdover; and

1 WHEREAS, City and American have agreed to the terms of Modification No. 4
2 ("Modification") to the Lease to: (1) extend the term for two years commencing on the
3 Effective Date, occurring on the first day of the month immediately following the later to occur
4 of (i) Commission and Board approvals of Modification No. 4, and (ii) the execution of
5 Modification No. 4 by both the City and American; (2) establish the initial annual rent during
6 the extension term to \$7,240,000 based on an appraisal by the City's Real Estate Division,
7 (3) provide for annual rent adjustments during the extension term, and (4) update certain legal
8 provisions required by applicable local, state, and federal laws; and

9 WHEREAS, On August 15, 2023, by Resolution No. 23-0206, the Airport Commission
10 approved the Modification, a copy of which is on file with the Clerk of the Board in File
11 No. 240008, which is hereby declared to be a part of this Resolution as if set forth fully herein;
12 now, therefore, be it

13 RESOLVED, That this Board of Supervisors hereby approves Modification No. 4 to the
14 Lease; and, be it

15 FURTHER RESOLVED, That within 30 days of the Modification being fully executed by
16 all parties, the Airport Commission shall provide a copy of the Modification to the Clerk of the
17 Board for inclusion into the official file.
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City and County of San Francisco
Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 240008

Date Passed: May 14, 2024

Resolution approving Modification No. 4 of the Superbay Hangar Lease No. L13-0071, between American Airlines, Inc. and the City and County of San Francisco, acting by and through its Airport Commission, to extend the term by two years and adjust the annual rent to \$7,240,000 to commence on the effective date of the lease extension term after approval of the Board of Supervisors and execution of Modification No. 4 by City.

May 08, 2024 Budget and Finance Committee - RECOMMENDED

May 14, 2024 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 240008

I hereby certify that the foregoing Resolution was ADOPTED on 5/14/2024 by the Board of Supervisors of the City and County of San Francisco.

f Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

5/24/24

Date Approved