AMERICAN AIRLINES TO BUILD NEW HEADQUARTERS FACILITY

News / Airlines

On Thursday, American Airlines unveiled plans to construct a new headquarters facility, reports the Dallas Morning News. The company will remain in Fort Worth, selecting a location adjacent to its current complex, which is set for demolition following the new building's completion. American expects to wrap up the project by 2018, when it can move into its new home. Groundbreaking will begin next spring.

The announcement finally quells months of speculation that the airline might relocate to another city within the DFW metroplex. Various comments from CEO Doug Parker suggested the company was interested in building a new facility, fueling the debate over whether American would leave the limits of Fort Worth. According to reports, American discussed potentially erecting a new headquarters at the site formerly housing Texas Stadium in Irving, among others. The airline ultimately decided to remain in very familiar confines, staying in Fort Worth.

Fleeing the Dallas area never arose as a serious possibility. Ever since the earliest roots of its merger with US Airways – a process drawing to completion last week – the "new American" designated the metroplex as where it would house its joint headquarters. Texas' then Attorney

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General Greg Abbott (now Governor) supported American's hotly contested merger with US Airways on the condition that the combined airline would preserve its headquarters in North Texas, limiting the potential sites for a new facility. But even with full intent to stay in the vicinity, American wanted to relocate to a new physical building, with its current complex growing dated and already nearly 30 years old.

American Airlines maintains its largest hub at nearby Dallas-Fort Worth International Airport (DFW). Because DFW Airport owns the land on which the proposed site sits, construction will first require approval from the airport. A long-term lease for the with also face approval from both the cities of Dallas and Fort Worth. Neither are considered major obstacles expected to pose a threat.

The timing of American's announcement seems important for two main reasons. Firstly, with airlines nationally reeling in gushing profits, the company likely has some cash on hand with which to work. The airline's announcement represents an investment in its employees, a method that many airlines have chosen to deploy handsome profits. Secondly, the end of US Airways makes the timing feel right for a new, unified home.

Although the airline has not yet discussed possible tax incentives with the city, those conversations will likely take place in the near future, according to the Fort Worth Star-Telegram. The city of Fort Worth previously approved a $6.5 million tax break in accordance with American's new Integrated Operations Center (IOC), which formally opened in September. Now with a backbone agreement in place, it's a virtual certainty Fort Worth will negotiate some tax benefit with American in exchange for securing its capital within city boundaries.

Fort Worth's mayor Betsy Price showered American with praises, calling the airline a "strong Fort Worth company" and deeming the announcement a "really big win for the entire metroplex." American relocated in 1979 to North Texas, and Price expressed excitement that the airline will stay within the city limits.

In a letter to employees, American highlighted closer proximity to the company's Flight Academy and Training Conference Center as well as its Integrated Operations Center as a primary driver behind the location: "Our current headquarters is remote from the very people we are here to support." Constructing the building aside these two facilities provides more unity with its front-line operations. The company also cited an "increasingly costly to maintain" facility as a factor in its decision to build anew.

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