

AMENDED IN COMMITTEE

7/24/13

FILE NO. 130324

RESOLUTION NO. 282-13

1 [Airport Lease Modification - United Air Lines, Inc. - Plots 16 and 16B - \$12,040,710 Annually]

2 **Resolution approving the execution of Modification No.5 to Lease L73-0066 at Plots 16**
3 **and 16B with United Air Lines, Inc. at San Francisco International Airport (Airport) to:**
4 **increase the ground rent to \$12,040,710 per year; reduce the premises by 6.53 acres of**
5 **land, resulting in a modified premises of approximately 124.13 acres, together with**
6 **certain rights-of-way and easements; and grant a one-time option to relinquish up to**
7 **thirty percent of the land comprising the Premises and equivalent land comprising the**
8 **Employee Parking retroactively to July 1, 2013.**
9

10 WHEREAS, Pursuant to Ground Lease L73-0066 (the "Lease"), United Air Lines, Inc.
11 ("United") occupies approximately 129.18 acres of land at Plots 16 and 16B at the Airport,
12 together with certain rights-of-way and easements, for a Maintenance Operations Center
13 (the "Premises"); and

14 WHEREAS, United also utilizes the equivalent of approximately 5.34 acres of land at
15 the Airport's Lot D Garage for employee parking (the "Employee Parking") related to the
16 Premises at the same rate per acre applicable to the Premises; and

17 WHEREAS, The second Option Term of the Lease expires on June 30, 2013 and,
18 pursuant to Modification No. Four to the Lease, which approved a Cure Stipulation
19 Agreement between the Airport and United, United was granted a third option to extend the
20 term for an additional ten (10) years at a rent equal to fair market value; and

21 WHEREAS, United has exercised the option and negotiated certain terms of
22 Modification No. Five, which will: 1) increase the ground rent for the Premises and
23 Employee Parking to \$12,040,710.00 per year, 2) reduce the Premises from approximately
24 129.18 acres to 124.13 acres of land, and 3) grant United a one-time option to relinquish up
25

1 to thirty percent (30%) of the acreage comprising the Premises and the Employee Parking
2 (the "Modification"), as set forth in the Director's Memorandum; and

3 WHEREAS, On March 19, 2013, by Airport Commission Resolution No. 13-0057, the
4 Airport Commission approved the Modification to the Lease between United and the City and
5 County of San Francisco, acting by and through its Airport Commission, subject to the terms
6 set forth above; and

7 WHEREAS, A copy of the form of Modification No. Five to the Lease is on file with the
8 Clerk of the Board of Supervisors in File No. 130324, which is hereby declared to be a part of
9 this resolution, as if set forth fully herein; now, therefore, be it

10 RESOLVED, That this Board of Supervisors hereby approves, retroactively to July 1,
11 2013, the execution of Modification No. Five to Lease L73-0066 between United Air Lines, Inc.
12 and the City and County of San Francisco, acting by and through its Airport Commission,
13 which will:

14 1) increase the ground rent to \$12,040,710.00 per year, 2) reduce the Premises from
15 approximately 129.18 acres to 124.13 acres of land, and 3) grant United a one-time option to
16 relinquish up to thirty percent (30%) of the acreage comprising the Premises and the
17 Employee Parking, as set forth in the Director's Memorandum.



City and County of San Francisco
Tails
Resolution

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

File Number: 130324

Date Passed: July 30, 2013

Resolution approving the execution of Modification No.5 to Lease L73-0066 at Plots 16 and 16B with United Air Lines, Inc. at San Francisco International Airport to: increase the ground rent to \$12,040,710 per year; reduce the premises by 6.53 acres of land, resulting in a modified premises of approximately 124.13 acres, together with certain rights-of-way and easements; and grant a one-time option to relinquish up to thirty percent of the land comprising the Premises and equivalent land comprising the Employee Parking retroactively to July 1, 2013.

July 24, 2013 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

July 24, 2013 Budget and Finance Committee - RECOMMENDED AS AMENDED

July 30, 2013 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 130324

I hereby certify that the foregoing
Resolution was ADOPTED on 7/30/2013 by
the Board of Supervisors of the City and
County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor
Date Approved