

1 [Lease Extension Modification - 2011 Lease and Use Agreements - Various Airlines]

2

3 **Resolution approving a Lease Modification to the 2011 Lease and Use Agreement**
4 **between the City and County of San Francisco, acting by and through its Airport**
5 **Commission, and 39 various Signatory Airlines, extending the term for two years from**
6 **July 1, 2021, through June 30, 2023; and affirming the Planning Department's**
7 **determination under the California Environmental Quality Act.**

8

9 WHEREAS, Various signatory airlines ("Airlines") conduct flight operations at
10 San Francisco International Airport (the "Airport") pursuant to the 2011 Lease and Use
11 Agreement with each Airline (the "2011 Lease") including: ABX Air, Inc. – Lease No. 11-0005;
12 Aer Lingus, Limited – Lease No. 16-0298; Air Canada – Lease No. 11-0007; Air China Limited
13 – Lease No. 10-0075; Air France – Lease No. 10-0076; Air India Limited – Lease No. 17-
14 0183; Air New Zealand Limited – Lease No. 11-0009; Alaska Airlines, Inc. – Lease No. 10-
15 0274; All Nippon Airways Corporation, Limited – Lease No. 10-0077; American Airlines, Inc. –
16 Lease No. 10-0078; Ameriflight, LLC – Lease No. 11-0010; Asiana Airlines – Lease No. 10-
17 0079; British Airways Plc – Lease No. 10-0080; China Airlines Limited – Lease No. 10-0082;
18 China Eastern Airlines Corporation Limited – Lease No. 13-0065; China Southern Airlines
19 Company Limited – Lease No. 15-0253; Delta Air Lines, Inc. – Lease No. 10-0083; Deutsche
20 Lufthansa, AG, dba, Lufthansa German Airlines – Lease No. 10-0091; Emirates – Lease
21 No. 10-0084; EVA Airways Corporation – Lease No. 10-0085; Federal Express Corporation –
22 L10-0086; Frontier Airlines, Inc. – Lease No. 10-0087; Hawaiian Airlines, Inc. – Lease No. 11-
23 0011; Japan Airlines International Company, Limited – Lease No. 10-0088; JetBlue Airways
24 Corporation – Lease No. 12-0027; Kalitta Air, LLC – Lease No. 10-0277; KLM Royal Dutch
25 Airlines – Lease No. 10-0089; Korean Air Lines Co., Ltd. – Lease No. 10-0090; Nippon Cargo

1 Airlines Company, Ltd. – Lease No. 10-0278; Scandinavian Airlines of North America Inc. –
2 Lease No. 13-0066; Singapore Airlines Limited – Lease No. 10-0094; Southern Air, Inc. –
3 Lease No. 10-0279; Southwest Airlines Company – Lease No. 10-0095; Sun Country, Inc.
4 dba Sun Country Airlines – Lease No. 12-0015; Swiss International Air Lines Ltd. – Lease
5 No. 11-0182; Turkish Airlines, Inc. (Turk Hava Yollari Anonim Ortakligi) – Lease No. 16-0301;
6 United Airlines, Inc. – Lease No. 10-0097; Virgin Atlantic Airways Limited Company – Lease
7 No. 10-0099; and WestJet, an Alberta Partnership – Lease No. 11-0239; and

8 WHEREAS, The 2011 Lease with each of the Airlines will expire on June 30, 2021
9 (“Current Expiration Date”); and

10 WHEREAS, The Airport Commission of the City and County of San Francisco (“City”)
11 and Airlines were previously negotiating a new comprehensive lease and use agreement
12 intended to replace the 2011 Lease, which would have commenced immediately following the
13 Current Expiration Date; and

14 WHEREAS, The COVID-19 pandemic interrupted the negotiations and rendered
15 impractical reaching agreement on a comprehensive replacement lease and use agreement
16 that could be implemented directly following the Current Expiration Date; and

17 WHEREAS, City and Airlines have negotiated the terms of a modification to the 2011
18 Lease, which (i) extends the term for a period of two years, effective July 1, 2021 and expiring
19 June 30, 2023; (ii) preserves the rights of City and Signatory Airlines in any litigation
20 challenging the Healthy Airport Ordinance; and (iii) updates applicable local, state, and federal
21 laws (the “Lease Modification”); and

22 WHEREAS, All other terms and conditions of the 2011 Lease remains unchanged,
23 including continuance of the current residual rate-setting methodology for terminal rental rates
24 and landing fees based on the Airport’s Rates and Charges and continuance of the Annual
25 Service Payment to City’s General Fund; and

1 WHEREAS, On February 9, 2021, the Commission adopted resolutions approving
2 Lease Modifications with the following 21 Airlines, each of which have executed the Lease
3 Modification: ABX Air, Inc. by Resolution No. 21-0013; Air France by Resolution No. 21-0014;
4 All Nippon Airways Corporation, Limited by Resolution No. 21-0015; American Airlines, Inc. by
5 Resolution No. 21-0016; Ameriflight, LLC by Resolution No. 21-0017; China Airlines Limited
6 by Resolution No. 21-0018; China Eastern Airlines Corporation Limited by Resolution No. 21-
7 0019; China Southern Airlines Company Limited by Resolution No. 21-0020; Delta Air Lines,
8 Inc. by Resolution No. 21-0021; EVA Airways Corporation by Resolution No. 21-0022; JetBlue
9 Airways Corporation by Resolution No. 21-0023; Kalitta Air, LLC by Resolution No. 21-0024;
10 KLM Royal Dutch Airlines by Resolution No. 21-0025; Nippon Cargo Airlines Company, Ltd.
11 by Resolution No. 21-0026; Scandinavian Airlines of North America Inc. by Resolution No. 21-
12 0027; Southwest Airlines Company by Resolution No. 21-0028; Swiss International Air Lines
13 Ltd. by Resolution No. 21-0029; Turkish Airlines, Inc. (Turk Hava Yollari Anonim Ortakligi) by
14 Resolution No. 21-0030; United Airlines, Inc. by Resolution No. 21-0031; Virgin Atlantic
15 Airways Limited Company by Resolution No. 21-0032; and WestJet, an Alberta Partnership by
16 Resolution No. 21-0033; and

17 WHEREAS, On March 16, 2021, the Commission adopted resolutions approving
18 additional Lease Modifications with the following 18 Airlines, each of which have executed the
19 Lease Modification: Aer Lingus, Limited by Resolution No. 21-0051; Air Canada by Resolution
20 No. 21-0052; Air China Limited by Resolution No. 21-0053; Air India Limited by Resolution No.
21 21-0054; Air New Zealand Limited by Resolution No. 21-0055; Alaska Airlines, Inc. by
22 Resolution No. 21-0056; Asiana Airlines by Resolution No. 21-0057; British Airways Plc by
23 Resolution No. 21-0058; Deutsche Lufthansa, AG, dba, Lufthansa German Airlines by
24 Resolution No. 21-0059; Emirates by Resolution No. 21-0060; Federal Express Corporation
25 by Resolution No. 21-0061; Frontier Airlines, Inc. by Resolution No. 21-0062; Hawaiian

1 Airlines, Inc. by Resolution No. 21-0063; Japan Airlines International Company, Limited by
2 Resolution No. 21-0064; Korean Air Lines Co., Ltd. by Resolution No. 21-0065; Singapore
3 Airlines Limited by Resolution No. 21-0066; Southern Air, Inc. by Resolution No. 21-0067; and
4 Sun Country, Inc. dba Sun Country Airlines by Resolution No. 21-0068; and

5 WHEREAS, A copy of each Lease Modification is on file with the Clerk of the Board of
6 Supervisors in File No. 210335, which is hereby declared to be a part of this Resolution as if
7 set forth fully herein; and

8 WHEREAS, The Planning Department has determined that the actions contemplated in
9 this Resolution comply with the California Environmental Quality Act (California Public
10 Resources Code, Sections 21000 et. seq.); and

11 WHEREAS, Said determination is on file with the Clerk of the Board of Supervisors in
12 File No. 210335 and is incorporated herein by reference; now, therefore, be it

13 RESOLVED, This Board of Supervisors affirms this determination; and

14 FURTHER BE IT RESOLVED, That this Board of Supervisors approves each of the
15 Lease Modifications; and

16 FURTHER BE IT RESOLVED, That within thirty (30) days of being fully executed by all
17 parties, the Airport Commission shall provide a copy of each of the final Lease Modifications
18 to the Clerk of the Board for inclusion into the official file.

19
20
21
22
23
24
25



City and County of San Francisco

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

Tails
Resolution

File Number: 210335

Date Passed: May 18, 2021

Resolution approving a Lease Modification to the 2011 Lease and Use Agreement between the City and County of San Francisco, acting by and through its Airport Commission, and 39 various Signatory Airlines, extending the term for two years from July 1, 2021, through June 30, 2023; and affirming the Planning Department's determination under the California Environmental Quality Act.

April 28, 2021 Budget and Finance Committee - RECOMMENDED

May 04, 2021 Board of Supervisors - CONTINUED

Ayes: 10 - Chan, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Stefani and Walton

Noes: 1 - Melgar

May 18, 2021 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 210335

I hereby certify that the foregoing Resolution was ADOPTED on 5/18/2021 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

Date Approved