

1 [Ground Lease Modification - United Airlines, Inc. - Three-Year Term Extension]

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3 **Resolution approving Modification No. 1 to Ground Lease No. 96-0268 between the City**
4 **and County of San Francisco, acting by and through its Airport Commission, and**
5 **United Airlines, Inc. to extend the term by three years, provide for rent adjustments**
6 **during the extension term, and update certain legal provisions required by applicable**
7 **local, state, and federal laws, as defined herein, to take effect only after approval by the**
8 **Board of Supervisors.**

9
10 WHEREAS, On October 18, 1996, by Resolution No. 96-0268, the Airport Commission
11 (“Commission”) approved Lease No. 96-0268 (“Lease”) between the City and County of
12 San Francisco (the “City”) and United Airlines, Inc. (“United”) for approximately 11.30 acres of
13 land at the Airport, commonly known as Plot 7X (“Premises”), for a period of 25 years; and

14 WHEREAS, Prior to the Lease receiving approval from the Board of Supervisors, the
15 City and County of San Francisco enacted the Non-Discrimination in City Contracts and
16 Benefits Ordinance (the “Ordinance”); and

17 WHEREAS, Addendum No. 1 was subsequently incorporated into the Lease, which
18 provided United with a revised initial term of approximately two years from the
19 commencement date of the Lease, to provide United with the time to come into compliance
20 with the Ordinance, and the right to extend the term for an additional 23 years; and

21 WHEREAS, On February 21, 1997, by Resolution No. 131-97, the Board of
22 Supervisors approved the Lease, inclusive of Addendum No. 1; and

23 WHEREAS, United came into compliance with the Ordinance and exercised its right to
24 extend the Lease through August 31, 2021, the current expiration date; and

1 WHEREAS, The City and United have negotiated the terms of Modification No. 1 to the
2 Lease ("Modification No. 1") to (i) extend the term for three years, (ii) provide for annual rent
3 adjustments during the extension term to reflect the increase, if any, in the "cost of living" over
4 the previous year; and (iii) update certain legal provisions required by applicable local, state,
5 and federal laws; and

6 WHEREAS, All other terms and conditions of the Lease remain unmodified and in full
7 force and effect; and

8 WHEREAS, On October 19, 2021, by Resolution No. 21-0205, the Commission
9 approved Modification No. 1; and

10 WHEREAS, The Effective Date of Modification No. 1 is the date it is approved by the
11 Board of Supervisors and is fully executed by all parties; and

12 WHEREAS, A copy of Modification No. 1 is on file with the Clerk of the Board of
13 Supervisors in File No. 211144, which is hereby declared to be part of this Resolution as if set
14 forth fully herein; now, therefore, be it

15 RESOLVED, That the Board of Supervisors hereby approves Modification No. 1; and,
16 be it

17 FURTHER RESOLVED, That within thirty (30) days of Modification No. 1 being fully
18 executed by all parties, the Airport Commission shall provide a copy of the final Modification
19 No. 1 to the Clerk of the Board for inclusion into the official file.



City and County of San Francisco

Tails
Resolution

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

File Number: 211144

Date Passed: December 07, 2021

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December 01, 2021 Budget and Finance Committee - RECOMMENDED

December 07, 2021 Board of Supervisors - ADOPTED

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

Excused: 1 - Melgar

File No. 211144

I hereby certify that the foregoing
Resolution was ADOPTED on 12/7/2021 by
the Board of Supervisors of the City and
County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

12/17/21

Date Approved