

1 [Airport Lease Modification - United Air Lines, Inc.]

2

3 **Resolution approving and authorizing the execution of Modification No. 1 of Lease L00-**
4 **0464 at Plot 6 with United Air Lines, Inc., at San Francisco International Airport to: 1)**
5 **extend the Term; 2) reduce the Demised Premises; 3) modify the annual rent; 4) provide**
6 **for a Deferred City Improvements Payment to City; and 5) provide for certain terms of**
7 **retroactivity relating to the rent and the Deferred City Improvements Payment.**

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9 WHEREAS, Pursuant to Ground Lease L00-0464 (the "Lease"), United Air Lines, Inc.
10 ("United") occupies approximately 16.04 acres of land at Plot 6 at the Airport, together with
11 ancillary City-owned buildings for various aviation related functions, and

12 WHEREAS, The Lease expired on June 30, 2011 and United wishes to continue
13 occupancy of a portion of the Plot 6 leasehold, including Building 585, for an additional ten
14 (10) years pursuant to a Lease modification; and

15 WHEREAS, Airport staff has negotiated the terms of Modification No. 1 that will: 1)
16 extend the Term for an additional ten (10) years, 2) reduce the Demised Premises from
17 approximately 16.04 acres to 12.54 acres of land, 3) reduce the rent from \$2,081,080 to
18 \$1,638,208 per year,
19 4) add an obligation to pay City a Deferred City Improvements Payment equal to \$696,000,
20 and
21 5) provide for certain terms of retroactivity to July 1, 2011, as set forth in the Director's
22 Memorandum (the "Modification"); and

23 WHEREAS, On June 7, 2011, by Airport Commission Resolution No. 11-0135, the
24 Airport Commission approved the Modification to the Lease between United and the City and

25

1 County of San Francisco, acting by and through its Airport Commission, subject to the terms
2 set forth above, which Modification will be effective retroactively to July 1, 2011; and

3 WHEREAS, A copy of the form of Modification No. 1 to the Lease is on file with the
4 Clerk of the Board of Supervisors in File No. 111290, which is hereby declared to be a part of
5 this resolution as if set forth fully herein; now, therefore, be it

6 RESOLVED, That this Board of Supervisors hereby approves and authorizes the
7 execution of Modification No. 1 to Lease L00-0464 between United Air Lines, Inc. and the City
8 and County of San Francisco, acting by and through its Airport Commission, which will: 1)
9 extend the Term for an additional ten (10) years, 2) reduce the Demised Premises from
10 approximately 16.04 acres to
11 12.54 acres of land, 3) reduce the rent from \$2,081,080 to \$1,638,208 per year, 4) add an
12 obligation to pay City a Deferred City Improvements Payment equal to \$696,000, and 5)
13 provide for certain terms of retroactivity to July 1, 2011, as set forth in the Director's
14 Memorandum.



City and County of San Francisco
Tails
Resolution

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

File Number: 111290

Date Passed: January 10, 2012

Resolution approving and authorizing the execution of Modification No. 1 of Lease L00-0464 at Plot 6 with United Air Lines, Inc., at San Francisco International Airport to: 1) extend the term; 2) reduce the demised premises; 3) modify the annual rent; 4) provide for a deferred City improvements payment to City; and 5) provide for certain terms of retroactivity relating to the rent and the deferred City improvements payment.


January 04, 2012 Budget and Finance Committee - RECOMMENDED


January 10, 2012 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Olague and Wiener

File No. 111290

I hereby certify that the foregoing
Resolution was ADOPTED on 1/10/2012 by
the Board of Supervisors of the City and
County of San Francisco.


Angela Calvillo
Clerk of the Board


Mayor


Date Approved