

1 [Airline and Airport 2023 Lease and Use Agreement]

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3 **Resolution approving the 2023 Lease and Use Agreement between the City and County**
4 **of San Francisco, acting by and through its Airport Commission, and 29 airlines to**
5 **conduct flight operations at the San Francisco International Airport, for a term of ten**
6 **years, from July 1, 2023, through June 30, 2033; affirming the Planning Department’s**
7 **determination under the California Environmental Quality Act; and to authorize the**
8 **Airport Director to enter into modifications to the Lease that do not materially increase**
9 **the obligations or liabilities to the City and are necessary to effectuate the purposes of**
10 **the Lease or this Resolution.**

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12 WHEREAS, Various airlines conduct flight operations at the San Francisco
13 International Airport (“SFO” or “Airport”) pursuant to the 2011 Airline/Airport Lease and Use
14 Agreements (“2011 Lease”); and

15 WHEREAS, The 2011 Lease was originally set to expire on June 30, 2021 (the
16 “Original Expiration Date”); and

17 WHEREAS, Prior to the Original Expiration Date, the Airport Commission of the City
18 and County of San Francisco (“City”) and the airlines were negotiating a new comprehensive
19 lease and use agreement intended to replace the 2011 Lease, which would have commenced
20 immediately following the Original Expiration Date; and

21 WHEREAS, The COVID-19 pandemic interrupted the negotiations and rendered
22 impractical reaching agreement on a comprehensive replacement lease and use agreement;
23 and

1 WHEREAS, In lieu of such replacement agreement, City and airlines negotiated a
2 modification to the 2011 Lease which extended the term for a period of two years (the “2011
3 Lease Extension Modification”), effective July 1, 2021, and expiring June 30, 2023; and

4 WHEREAS, That this Board of Supervisors approved the 2011 Lease Extension
5 Modifications with the airlines through various resolutions; and

6 WHEREAS, City and the airlines have completed negotiations and have agreed to the
7 terms of a new comprehensive lease and use agreement, for a term of ten years, to
8 commence on July 1, 2023 and expire on June 30, 2033, and which provides for the
9 continuation of flight operations and payment of landing fees and terminal rentals by such
10 airlines at the Airport (“2023 Lease”); and

11 WHEREAS, The 2023 Lease will be the same for all airlines that elect to be a signatory
12 to the 2023 Lease with only conforming changes that reflects the specific airline; and

13 WHEREAS, On February 7, 2023, the Airport Commission adopted Resolution Nos.
14 23-0019 through 23-0047 awarding a 2023 Lease to 29 airlines (each a “Signatory Airline”
15 and collectively, “Signatory Airlines”); and

16 WHEREAS, Certain Signatory Airlines must obtain full compliance with Chapter 12B of
17 the City’s Administrative Code (“Chapter 12B”); and

18 WHEREAS, A copy of the 2023 Lease with each of the Signatory Airlines is on file with
19 the Clerk of the Board of Supervisors in File No. 230204, which is hereby declared to be part
20 of this Resolution as if set forth fully herein; and

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

24 WHEREAS, Said determination is on file with the Clerk of the Board of Supervisors in
25 File No. 230204 and is incorporated herein by reference; now, therefore, be it

1 RESOLVED, That this Board of Supervisors affirms this determination; and, be it
2 FURTHER RESOLVED, That, subject to the express condition set forth in the
3 immediately following Resolved clause, this Board of Supervisors approves the award of the
4 2023 Lease with ABX Air, Inc. – Lease No. 23-0019; Aerovías de México S.A. de C.V. dba
5 Aeroméxico – Lease No. 23-0020; Air China Limited – Lease No. 23-0021; Air India Limited –
6 Lease No. 23-0022; Air New Zealand Limited – Lease No. 23-0023; Air Transport
7 International, Inc. – Lease No. 23-0024; Alaska Airlines, Inc. – Lease No. 23-0025; All Nippon
8 Airways Co, Limited – Lease No. 23-0026; Asiana Airlines Inc. – Lease No. 23-0027; China
9 Eastern Airlines Co. Ltd – Lease No. 23-0028; Condor Flugdienst GMBH – Lease No. 23-
10 0029; Delta Air Lines, Inc. – Lease No. 23-0030; Deutsche Lufthansa AG dba Lufthansa
11 German Airlines – Lease No. 23-0031; Emirates – Lease No. 23-0032; EVA Airways
12 Corporation – Lease No. 23-0033; Federal Express Corporation – Lease No. 23-0034; Japan
13 Airlines Co., Ltd. – Lease No. 23-0035; Kalitta Air LLC – Lease No. 23-0036; Koninklijke
14 Luchtvaart Maatschappij N.V. dba KLM Royal Dutch Airlines – Lease No. 23-0037; Korean Air
15 Lines Co., Ltd – Lease No. 23-0038; Nippon Cargo Airlines, Inc. – Lease No. 23-0039;
16 Scandinavian Airlines of North America Inc dba Scandinavian Airlines SAS – Lease No. 23-
17 0040; Singapore Airlines Limited – Lease No. 23-0041; Societe Air France dba Air France –
18 Lease No. 23-0042; Southwest Airlines Co. – Lease No. 23-0043; Sun Country, Inc. – Lease
19 No. 23-0044; Turk Hava Yolları A.O. dba Turkish Airlines – Lease No. 23-0045; United
20 Airlines, Inc. – Lease No. 23-0046; and Virgin Atlantic Airways Limited – Lease No. 23-0047;
21 and, be it

22 FURTHER RESOLVED, That the foregoing approval of the 2023 Leases is expressly
23 conditioned on each Signatory’s full compliance with Chapter 12B no later than June 30,
24 2023, or obtaining the appropriate waivers thereto, to the extent such compliance is required
25 under Chapter 12B, and the Airport is directed to provide a report to the Board of Supervisors

1 no later than July 10, 2023, on the airlines that complied, those that did not comply, and those
2 that obtained a waiver; and, be it

3 FURTHER RESOLVED, That, in order to facilitate the administration of the 2023
4 Lease, this Board of Supervisors authorizes the Airport Director to enter into non-material
5 modifications to any 2023 Lease throughout its term that do not otherwise: (a) materially
6 increase the financial obligations or liabilities of City; (b) increase the term, or (c) change the
7 general use of the demised premises from the permitted uses of the 2023 Lease; and, be it

8 FURTHER RESOLVED, That within thirty (30) days of each 2023 Lease being fully
9 executed by all parties, the Airport Commission shall provide a copy of the final contract to the
10 Clerk of the Board for inclusion into the official file.

ATTACHMENT 1

	<u>AIRLINE</u>	<u>LEASE NO.</u>
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3	1. ABX Air, Inc.	23-0019
4	2. Aerovías de México S.A. de C.V. dba Aeroméxico	23-0020
5	3. Air China Limited	23-0021
6	4. Air India Limited	23-0022
7	5. Air New Zealand Limited	23-0023
8	6. Air Transport International, Inc.	23-0024
9	7. Alaska Airlines, Inc.	23-0025
10	8. All Nippon Airways Co, Limited	23-0026
11	9. Asiana Airlines Inc.	23-0027
12	10. China Eastern Airlines Co. Ltd	23-0028
13	11. Condor Flugdienst GMBH	23-0029
14	12. Delta Air Lines, Inc.	23-0030
15	13. Deutsche Lufthansa AG dba Lufthansa German Airlines	23-0031
16	14. Emirates	23-0032
17	15. EVA Airways Corporation	23-0033
18	16. Federal Express Corporation	23-0034
19	17. Japan Airlines Co., Ltd.	23-0035
20	18. Kalitta Air LLC	23-0036
21	19. Koninklijke Luchtvaart Maatschappij N.V. dba	
22	KLM Royal Dutch Airlines	23-0037
23	20. Korean Air Lines Co., Ltd	23-0038
24	21. Nippon Cargo Airlines, Inc.	23-0039
25		

1	<u>AIRLINE</u>	<u>LEASE NO.</u>
2	22. Scandinavian Airlines of North America Inc dba	
3	Scandinavian Airlines SAS	23-0040
4	23. Singapore Airlines Limited	23-0041
5	24. Societe Air France dba Air France	23-0042
6	25. Southwest Airlines Co.	23-0043
7	26. Sun Country, Inc.	23-0044
8	27. Turk Hava Yollaria A.O. dba Turkish Airlines	23-0045
9	28. United Airlines, Inc.	23-0046
10	29. Virgin Atlantic Airways Limited	23-0047
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City and County of San Francisco

Tails Resolution

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

File Number: 230204

Date Passed: June 27, 2023

Resolution approving the 2023 Lease and Use Agreement between the City and County of San Francisco, acting by and through its Airport Commission, and 29 airlines to conduct flight operations at the San Francisco International Airport, for a term of ten years, from July 1, 2023, through June 30, 2033; affirming the Planning Department's determination under the California Environmental Quality Act; and to authorize the Airport Director to enter into modifications to the Lease that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the Lease or this Resolution.

April 05, 2023 Budget and Finance Committee - CONTINUED

April 19, 2023 Budget and Finance Committee - CONTINUED TO CALL OF THE CHAIR

May 03, 2023 Budget and Finance Committee - CONTINUED TO CALL OF THE CHAIR

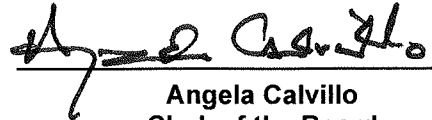
June 14, 2023 Budget and Finance Committee - RECOMMENDED

June 27, 2023 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 230204

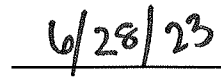
I hereby certify that the foregoing
Resolution was ADOPTED on 6/27/2023 by
the Board of Supervisors of the City and
County of San Francisco.



Angela Calvillo
Clerk of the Board



London N. Breed
Mayor



Date Approved